

Remember Personal Service in Stores? It Endures in Japan

By John Burgess
Washington Post Service
TOKYO — In an age when personal service as a significant aspect of merchandising is dying out in many Western countries, Japan clings tenaciously to it.

Service is viewed by the Japanese not as a luxury but as an essential ingredient for the success of individual companies and the economy as a whole.

Westerners who move to Japan never get used to the range of services and courtesies taken for granted here.

Supermarket check-out counters have two or three people ringing up and bagging groceries. Some stores deliver, with each bag arriving neatly stapled closed. Dry ice is inserted alongside the frozen foods to ensure that they do not spoil on the way.

Television shops normally send a technician to install and fine-tune a newly purchased set. He will rush back if anything goes wrong. Car salesmen are known to bring new models around to

customers' homes for test drives; cars are loaned to people whose cars are being repaired.

There are no limits to what is home-delivered — video movies, dry cleaning, health foods, rented tailcoats (this last one requires two visits from the sales staff, first for a fitting, second for delivery of the altered and freshly pressed garment). Office deliveries are common, too, especially of lunch.

Japanese barbers often give back massages as part of an ordinary haircut. If they remove a customer's glasses, they may polish the lenses before returning them.

Self-service gasoline stations have yet to appear in Japan in any significant way. At the least, attendants fill the tank and wipe the windshield. They often empty ashtrays and stop traffic to let the motorist get back on the road.

Department stores seem to have twice, if not three times, the floor staff of U.S. ones. Many stores wrap everything they sell. Upscale customers do not have to

come in at all — merchandise is taken to their homes for trial and selection. Those who do not conform, stand out. But there is pressure on them to change their ways.

Japanese National Railways, transporter of 19 million people a day, will begin a shift from state to private ownership on April 1. The formal goal is to reduce deficits and revitalize management of the mammoth system. But what the average Japanese wants to know is whether the railroad will finally become polite.

Ticket-takers never smile or say good morning now. Platform supervisors glower at passengers and ignore questions. Loudspeaker announcements in stations are short on the many courtesies and honorifics of spoken Japanese.

That is the public perception, based on a good deal of reality, and now, the railroad vows it is going to change. Employees are being instructed in how to bow, greet and present a pleasant face. "Now that we're going private," said a

railroad executive, Kenichi Maeda, "the customer has got to come first."

Japanese culture's attention to detail and doing things the "correct" way fits well into the service mentality. But perhaps the darkest spot on personal service is how remarkably impersonal it can be. Everyone is treated exactly alike. Employees' cheery greetings and directions, in fact, are often memorized from a company manual. After a month's stay in a hotel, guests may find the staff still has no idea who they are.

Still, the Japanese view service as the glue that holds commercial relationships together. If the correct personal contact and follow-up come with the first sale, a second is assured. Market share and loyal customers are the first goal, not short-term profit. Service may cost but it helps ensure these other objectives.

"What is important today is not what is sold, but the person who is selling it," says Yoshihiko Okamoto, general manager of the central branch of the Takashi-

maya Department Store. While foreigners in need of something think of stores, Japanese often think of dealers, individuals who supply and advise over the years on product lines like sake, clothing and electronic equipment.

Service is plugged as being "free," but of course, it is not. Each woman who wraps groceries and each man who logs them are part of why prices are so high in Japan. They are also part of why unemployment is so low. Some economists, in fact, view some of these jobs as disguised welfare programs, financed through high prices rather than taxes.

Invariably, as Japan internationalizes, some companies are choosing to follow the foreign pattern and cut service to reduce prices.

Department stores have done away with women who once bowed to every customer who stepped onto an escalator. Some shops now have a tape machine, not a person, saying "irashimase," or welcome, at the door.

WORLD BRIEFS

IRA Official Loses Debate at Oxford

OXFORD, England (Reuters) — The head of the political wing of the Irish Republican Army, making a rare appearance in England, defended attacks by Irish guerrillas and insisted that they were not aimed at civilians.

Speaking Thursday at the Oxford Union debating society, Gerry Adams, president of Sinn Féin, denounced supporters of the British presence in Northern Ireland for what he called "arrogant, elitist, ignorant and one-sided views." The IRA is fighting to end British rule in Northern Ireland.

The union was debating a motion stating: "This House believes that IRA violence is not justified and can never lead to a satisfactory political solution to the Irish problem." There were 348 votes for the motion, 47 against and 305 abstentions.

Hong Kong Media Fight Press Law

HONG KONG (UPI) — Local news media associations joined forces Friday to oppose a proposed press law they said would invite harassment of the media and possibly force news organizations to reveal confidential sources.

In a joint statement, associations representing newspaper owners, executives and journalists appealed to the British colony's Legislative Council to postpone a second reading of the bill, which is planned for Wednesday, and to consult with them on redrafted legislation.

The bill, as originally proposed in a package of press law changes, would have made it illegal to maliciously publish false news that was liable "to alarm public opinion or disturb public order." But amendments to the bill introduced Thursday deleted the word "maliciously," apparently because government officials thought that malicious intent would be too difficult to prove.

Canada Bars Israel General as Attaché

OTTAWA (NYT) — The Canadian government has refused diplomatic accreditation to a general who is currently Israel's defense attaché in Washington, apparently because of the reputation of the general received in an Israeli report on the massacre of Palestinians in refugee districts in Beirut in 1982.

External Affairs Minister Joe Clark said Thursday that Canada did not consider it appropriate to accept Major General Amos Yaron as Israel's defense attaché in Ottawa, a position that was to have been held at the same time that General Yaron held his post in Washington. The general was named to the Washington assignment in August.

Mr. Clark refused to give reasons for rejecting the nomination. He said that "nothing would be served by going into the background" of the case. Canadian officials indicated privately that Canada had based its decision on the findings of an Israeli commission that investigated the massacre and found that General Yaron was one of three top generals who bore "indirect responsibility" for them.

France to Set Ski-Lift Safety Measures

GRENOBLE, France (Reuters) — France will increase safety measures following the collapse of a ski lift in the Pyrenees that killed six persons and injured more than 70 on Sunday, a Transport Ministry official said Friday.

He said after meeting ski-lift and cable-car builders that safety checks would be extended to cover not only the mechanical parts of such equipment but also the foundations.

In the accident at Luz-Ardiden, a ski-lift pylon collapsed, releasing the cable and throwing skiers from their chairs onto snow and rocks 100 feet (30 meters) below.

Hess Is Hospitalized in West Berlin

BERLIN (Reuters) — Hitler's former deputy, Rudolf Hess, serving a life sentence for war crimes, has been admitted to a military hospital in West Berlin, a spokesman for the allied said Friday.

Hess, 92, was taken to the British military hospital on Sunday from Spandau prison, where he has been the sole inmate since 1966. He was under observation and there was no cause for concern, the spokesman said. Allied sources said he had a mild form of bronchitis.

Hess has been hospitalized several times during the past decade; the last time was nine months ago. Allied sources said recently that his general health was good for a man of his age. Hess has been held at the prison since he was convicted at the Nuremberg war crimes trials in 1947.

Judge Rejects Nixon Claim on Papers

WASHINGTON (AP) — A federal judge dealt a blow on Friday to former President Richard M. Nixon's attempt to block plans by the National Archives to release 1.5 million Watergate documents this spring.

A U.S. district judge, George H. Rutherford, ruled that the archives, which has custody of all 42 million pages of Mr. Nixon's presidential papers and 8,000 hours of tape recordings, is not automatically bound to honor Mr. Nixon's claims of executive privilege against the release of documents planned for May 4.

Mr. Nixon's attorney, Herbert J. Miller Jr., said at a Feb. 3 hearing that the former president would invoke executive privilege and might file suit to block the release of a special Watergate file, which contains 1.5 million documents. The judge's opinion invalidates a year-old Justice Department legal opinion directing the archives to honor Mr. Nixon's executive privilege claims.

For the Record

President Chaim Herzog of Israel will make a state visit to West Germany from April 6 to 10, President Richard von Weizsäcker's office announced Friday. The visit will be the first by an Israeli head of state to West Germany.

Ecuador began the court-martial of 83 air force commanders and three officers Thursday for the abduction in January of President León Febres Cordero at a military base. If convicted, each defendant could be imprisoned for 16 years.

Travel Update

Severe fog in Athens on Friday for the fourth straight day, and Olympic Airways said two flights to the northern town of Alexandroupolis and one each to the islands of Crete and Chios were called off because of high winds and icy runways.

The Bosphorus waterway reopened to shipping on Friday after two days of paralysis caused by heavy snow and high winds, port officials said in Istanbul.

Sabotage workers in Lisbon staged a 24-hour strike on Friday over a pay dispute, disrupting travel for thousands of commuters, trade union officials said.

"I had been under the impression that relations between Washington and Tel Aviv did not require spies," he said.

Reflecting an apparent desire to avoid any new local debate on the raid or its wider implications, the State Department has instructed U.S. diplomats in Tunisia not to comment publicly on Mr. Pollard's support to Israel in the raid.

Nevertheless, a U.S. diplomat said privately of U.S.-Tunisian relations, "We are no longer friends, just countries which may have interests in common."

Israel bombed the PLO office in retaliation for the killing by Palestinian gunmen of three Israelis in Cyprus. The Israeli jets had struck from 1,500 miles (about 2,400 kilometers) across the Mediterranean, assumed that the U.S. Sixth Fleet must have been aware of the planes and that the United States might have helped them evade neighboring Libya's radar.

Vietnam Is Said to Loosen State Controls

By Michael Richardson
International Herald Tribune

BANGKOK — After extensive leadership changes, Vietnam is starting to apply a more flexible form of socialism to revive its ailing economy and to expand links with the Third World and the West, analysts said.

Ben Kiernan, an Australian academic who recently met Vietnam's new party leader, Nguyen Van Linh, in Hanoi, quoted him as saying that the country needed to undergo a "radical renovation" in economic policy and management.

Mr. Kiernan, an Indochina specialist, said Mr. Linh was closely associated with a group of Communist leaders who had either been born in what was then South Vietnam or had spent much of their working lives there.

He said these men had emerged in key positions of power in Hanoi and were intent on applying more pragmatic policies, including greater use of material incentives, to increase production.

Analysts here said the new leadership also appeared committed to reducing state subsidies and to decentralizing control over the economy.

Mr. Linh, 71, took over as general secretary when the Communist Party made major changes in the party leadership at a congress in December.

On Feb. 16, sweeping changes in the Hanoi government were announced, with 12 ministers and two state commission chairmen removed and a number of ministries amalgamated.

Foreign Minister Nguyen Co Thach, who has had wide experience overseas, was promoted to deputy prime minister and put in charge of a new commission for economic relations with foreign countries.

Analysts said another important change was the replacement of Interior Minister Pham Hung, the number two man in the Politburo, by Mai Chi Tho.

Mr. Tho worked with Mr. Linh and Vo Van Kiet, head of the State Planning Commission, in Ho Chi Minh City, formerly Saigon, after the Communist victory there in 1975.

A Western diplomat who makes frequent visits to Vietnam said that these three leaders and other pragmatists now in power in Hanoi "had first-hand experience of resistance to socialism and know that it has to be modified and then imposed more slowly and flexibly."

He said the trend was to "dump hard-line and incompetents and bring into the party and government those with a record of more pragmatic and efficient administration."

The diplomat added: "I think they'll loosen up a bit. But it will remain a very controlled process."

Mr. Kiernan said Mr. Linh and those associated with him were "impressed by the possibility of increasing production through incentives, through business, and I think that view has also come to be accepted most recently by people who have run the state in the north for many years."

In a report to the party congress in December, Mr. Kiet noted that Vietnam's economic situation was "still rife with difficulties" such as unemployment, wastage and shortages of raw materials and spare parts.

Hanoi-based diplomats have also reported rampant inflation, falling living standards for many government employees and others on fixed incomes, and a shortage of foreign exchange to pay for imports.

The congress, which sets guidelines for the government, said economic resources should be concentrated on raising the output of food, consumer goods and exports.

Some of the analysts said a long power struggle between conservatives and pragmatists might not be over.

Diplomats said that Mr. Linh and his supporters — as is the case with the Soviet leader, Mikhail S. Gorbachev, and the Chinese leader, Deng Xiaoping — might face continuing opposition from conservatives in the party and bureaucracy opposed to a loosening of central control.

Analysts noted that Hanoi municipal authorities recently issued temporary regulations to promote small-scale, privately owned production by civil servants and other residents in the capital.

One said that, if the pragmatists were firmly entrenched, the regulations might be a "test model for economic reform elsewhere in Vietnam."

Sources here said that improvements in the performance of Vietnam's government and economy were being quietly encouraged by the Soviet Union.

Hanoi might also be forced to choose between continuing deterioration of economic and social conditions at home, and ending its military involvement in Cambodia on terms it would regard as potentially damaging to its security interests, the sources added.

A Vietnamese source familiar with official thinking in Hanoi said that "Vietnam's leaders realized that 'unless we improve our economic management, the relationship with the Soviet Union and other socialist countries will suffer.'"

He said that Hanoi was also aware that Vietnam could not continue to fall behind China and non-Communist countries in Southeast Asia in economic strength.



Secretary of State George P. Shultz with Prime Minister Yasuhiro Nakasone during their talks in Tokyo on Friday.

Shultz Reassures Japan On Geneva Arms Plan

By John Burgess
Washington Post Service

TOKYO — George P. Shultz, the U.S. secretary of state, assured Japanese leaders Friday that Japan's interests would be fully considered as the United States negotiates with the Soviet Union to reduce deployment of medium-range nuclear missiles, Japanese officials said.

Mr. Shultz also reiterated in talks here the Reagan administration's call for Japan to further open its market to foreign goods. The move would prevent the imposition of U.S. protectionist measures against Japanese exports.

"Persistent trade imbalances threaten the well-being of both

countries and a global free-trade system that has served us both so well," Mr. Shultz said at a news conference. "We agreed that it is urgent that we redouble our efforts to find effective solutions to this serious problem."

Mr. Shultz arrived Friday in Tokyo from South Korea as part of an eight-day East Asian tour. He met Friday evening with Prime Minister Yasuhiro Nakasone and Foreign Minister Tadashi Kuranari.

U.S. and Soviet arms negotiators in Geneva are discussing the proposed removal of medium-range nuclear missiles from Europe. The proposal would limit each side to 100 warheads, which the United States would deploy in the United States and the Soviet Union would deploy in its Asian region.

Japan's position is that arms reduction should be a global process. This reflects concern that a separate deal for Europe might be made, which would not affect missile deployments in Asia.

Earlier this week, Japanese officials welcomed the new proposal. But they stressed that any such deal should be only an interim one, pending reduction of the missiles to zero. On Friday, Mr. Nakasone asked Mr. Shultz that the United States negotiate with Japan's position in mind, and the U.S. secretary agreed to do so.

Mr. Shultz's five-hour visit to South Korea came at a time when the government and the opposition there are deadlocked in negotiations over how to revise the country's form of government. Many members of the opposition expressed hope that Mr. Shultz would pressure the government to show flexibility.

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Censors here are particularly sensitive to scenes involving sex or violent or criminal behavior. Filmmakers who refused to submit to deletions were Nadia Tass, who produced the Australian comedy "Malcolm," and Romano Scavolini of Italy, who directed "Dog Tags."

Griffin Dunne, an actor-producer who allowed his "After Hours" to be shown despite major cuts, said: "Especially at a film festival where there is supposed to be cultural exchange, it is important that films present an accurate picture of life or of the places featured in them. But that may be impossible if films are censored."

Censors Savage Film Festival In Singapore

Agence France-Presse

SINGAPORE — Twenty-three of the 50 movies entered in Singapore's first international film festival had sections removed by the Board of Film Censors, and two others were withdrawn by filmmakers who refused to submit to cuts, it was reported Friday.

The Straits Times newspaper called the festival, which ended Thursday, a success, but described the incidents of censorship as a "disappointment."

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Mikhail Shirmán, Israeli Scientist, Dies of Leukemia

The Associated Press

TEL AVIV — Mikhail Shirmán, 32, a cancer researcher stricken with leukemia who became a symbol in the East-West struggle, died Thursday in an Israeli hospital.

Mr. Shirmán's struggle to obtain permission for his sister, the only possible bone marrow donor, to leave the Soviet Union put him at the center of the fight for emigration rights for Soviet Jews and for the reuniting of divided families.

His doctor, Alan Beresby, said Mr. Shirmán had never recovered following a bone marrow transplant from his sister, Inessa Flerov, two months ago after she was allowed to leave the Soviet Union.

Dr. Beresby had said that "we have to blame the Soviet authorities" if Mr. Shirmán died, because an earlier bone marrow transplant could have saved his life.

Mr. Shirmán went to Reykjavik during the summit meeting in October and publicly called the Soviet leader, Mikhail S. Gorbachev, "a murderer" for denying exit visas to his sister's family.

Other deaths: Georges Arnaud, 69, a French author whose popular novel "The Wages of Fear" was turned into a movie that became a classic, Wednesday in Barcelona.

Bill Farr, 52, a reporter whose decision to go to prison for 46 days in 1972 rather than identify his news sources inspired important changes in California state law, Thursday in Los Angeles of cancer.

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SHEVARDNADEZ IN JAKARTA — Foreign Minister Eduard A. Shevardnadze of the Soviet Union, right, and Foreign Minister Mochtar Kusumahatmadja of Indonesia after meeting in Jakarta on Friday. Mr. Mochtar urged a Soviet initiative on the Cambodian conflict and praised Moscow's plan to end the occupation of Afghanistan.

Thailand, Malaysia Tighten Refugee Policy

International Herald Tribune

BANGKOK — Thailand and Malaysia, expressing concern at the pace of resettlement of Indochinese refugees by Western countries, have begun to apply tougher policies toward seekers of asylum from Vietnam, Cambodia and Laos.

Abdul Kadir Fadzir, the Malaysian deputy foreign minister, said recently in Kuala Lumpur that a camp on Bidong Island in the South China Sea off the coast of peninsular Malaysia might be closed by the end of the year.

He did not say what would happen to any occupants not accepted for resettlement abroad by then or to new arrivals.

On Sunday, Thailand removed a group of more than 200 Cambodians and Vietnamese from the Khao I Dang camp east of Bangkok near the border with Cambodia.

The camp houses 22,000 people and is the only one in Thailand where Cambodians are eligible for resettlement abroad.

Some Thai officials claimed that the Indochinese removed on Sunday were living there illegally, but refugee relief agency staff members said they feared the move might be the start of a threatened closure of the camp.

In December, Suwit Suthanukun, head of Thailand's national security council, said the Khao I Dang camp would be shut on Jan. 1. He could not be contacted on Friday for comment.

In February, according to refugee workers here, the Thai Interior Ministry said that starting in July it would stop the entry of refugees from Laos and Vietnam who were seeking resettlement overseas.

An Interior Ministry official, confirming advisory letters had been sent out, said that "the false hope of resettlement in the West encourages refugees to stay in Thailand and more to arrive."

Similar concerns on refugees have been voiced in Hong Kong,

where in January, members of the Legislative Council called on Britain to take firm action to reduce the number of Vietnamese boat people in Hong Kong. There are 8,000 of them in camps.

Some members said arriving Vietnamese should be screened and any who were found to be seeking a better livelihood rather than escaping persecution should be sent back to sea again after their boats were repossessed.

Diplomats said Thursday that objections being voiced in Malaysia, Thailand and Hong Kong reflected a widespread official view in Southeast Asia that the exodus of people from Indochina, which began with the Communist take-

overs of Cambodia, South Vietnam and Laos in 1975, should be halted because it was no longer a genuine refugee outflow.

Thailand, with 84,000 Laotians, 27,000 Cambodians and 7,000 Vietnamese in camps assisted by the United Nations, has about 83 percent of the 143,000 Indochinese refugees scattered through East Asia.

That figure does not include 260,000 Cambodians living along the Thai border in centers controlled by the three factions in the resistance movement seeking to end Vietnam's occupation of Cambodia.

UN officials stressed that of the 1.1 million Indochinese who have been granted temporary asylum in non-Communist countries of Asia since 1975, more than 1 million, or about 89 percent, have found permanent homes elsewhere, mainly in the United States, Canada, France and Australia.

UN statistics show that the total number of refugees in camps across Southeast Asia, with the exception of Malaysia, dropped from 160,000 at the end of 1985 to 145,000 in December 1986.

However, Thailand and Malaysia have said they are concerned that they will be left with thousands of Indochinese who are unacceptable to Western nations, and who do not want to return home.

—MICHAEL RICHARDSON

Tunisia Still Angry With U.S. Over '85 Israeli Raid

By Jonathan C. Randall
Washington Post Service

TUNIS — A year and a half after Israel's bombing raid on the offices in Tunisia of the Palestine Liberation Organization, many Tunisians remain angry at the United States because of their conviction that the Reagan administration helped Israel carry out the strike.

Although Jonathan Jay Pollard, a former U.S. Navy intelligence analyst who has been sentenced in Washington to life in prison for spying for Israel, told the court that he, on his own, gave Israel vital U.S. intelligence that facilitated the raid, Tunisian public opinion refuses to clear Washington of responsibility.

The facts appear less important here than the public conviction that the U.S. government betrayed historically friendly Tunisia.

Tunisia's official stance is that the strike was partly an Israeli attempt to harm Tunisian ties with the United States, and that it failed. In an interview, Foreign Minister

Hedi Mabrouk said, "We are convinced that the United States in no way aided the raid," and that bilateral ties remain "solid and unaffected."

But Ahmed Mestiri, leader of the moderate opposition Democratic

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Socialist Movement, said he recently warned visiting U.S. congressional staffers against thinking that Tunisian public opinion shared the government view about American innocence.

"Tunisia and the PLO were both victims," he said, reflecting what appears to be an apparently enduring impression here. "Washington put friendship with Israel and Tunisia on the scales and chose Israel," he continued. "The damage is irreparable."

Mr. Pollard, according to his court statement, gave Israel material on Libya's air defense system that aided the Oct. 1, 1985, raid. PLO headquarters near Tunis,

which killed 60 Palestinians and Tunisians. Some published reports have said that the material was aerial reconnaissance photographs.

The statement that he acted on his own, plus published reports, appeared to support the U.S. government's declaration that it played no role in the Israeli air strike. But interviews with Western diplomats, Palestinians and Tunisians suggest that the lack of public reaction here reflects a lasting disillusionment with the United States.

In an ironic contrast, a PLO official said he now believed that the information for the raid came from Mr. Pollard and was not supplied officially by Washington.

Salah Khalaf, a leading aide of the organization's chairman, Yasser Arafat, recalled that the PLO initially accused the United States of complicity in the raid. Now, he said, he believed Mr. Pollard's statement of responsibility and was willing to absolve the United States "on the intelligence side, but not the political side."

Reagan's Iran Speech Ends to Applause and Relief in Texas, Groans in Michigan

In Houston, Older Voters Believe President Did Well

By Peter Applebome
New York Times Service

HOUSTON — President Ronald Reagan's speech on the Iran-contra affair elicited a mixed response from the River Oaks Country Club, a private club where the younger white-collar crowd at the Texas Club and a sense of relief from half a dozen people watching television at Carol Standish's house in an affluent Houston neighborhood.

But if Republicans in this conservative city watched Mr. Reagan's speech on the Iran arms affair with a shared desire to see him rebuild his damaged presidency, a small sampling here indicates that they also had sharply disparate views on how much the speech helped him.

Most of a dozen Reagan supporters said in interviews that they felt the president's speech had been well thought out, well delivered and said things that needed to be said.

But there were still doubts about whether he would ever be able to regain the control and respectability that characterized his presidency until the

'We were expecting more than he could possibly deliver. He hasn't lost the magic as far as I'm concerned.'

—David G. Hawthorn,
A retired oilman, 85

who sells insurance, "but I think he still has a lot of bridges to mend."

Some Reagan supporters said the speech would probably end an

episode that would be an unpleasant footnote in a successful presidency.

"I thought the president did a good job last night," said Harry A. Zuber, 52, a senior vice president of the investment firm of Underwood, Neuhaus & Co. "I think he has set the agenda for a new group of people and that the administration will be able to move ahead. There's a lot more to running government in America than selling arms to Iran."

Mrs. Standish, a 52-year-old homemaker who is a longtime Republican, said Mr. Reagan's tone struck the right notes. "I believe him," she said. "I think he did apologize. He did all he could do."

For some conservatives, the speech was a bit too temperate.

"We were expecting more than he could possibly deliver," said David G. Hawthorn, an 85-year-old retired oilman who watched the speech with 25 other people at the River Oaks Country Club.

"We were hoping for a little more fire — for him to give the media hell. He hasn't lost the magic as far as I'm concerned."

But even for some older long-

time Republicans, the speech did not dispel nagging doubts about Mr. Reagan's ability to regain the initiative.

"His tone didn't elicit the confidence it used to," said H.E. Carrico, 72, a retired businessman who watched the speech at the same club where Mr. Haworth watched it. "The man has lost his charisma. You know what has happened? The man has just gotten old."

At the Texas Club, a popular athletic club, there were some equally harsh judgments.

"I'm a Republican, and I voted for Reagan, but I don't think I would do it again," said William B. Westberry, 30, president of the Bishop Pipeline Corp., a small energy-related concern.

Michael Wehrle, 31, an oil and real-estate investor who voted for Mr. Reagan in 1980 but not in 1984, said: "The speech was well written by someone else, but I think the Iranian policy and the money to the contras is the greatest foreign policy disaster in the history of the United States."

"I think he's old, he's worn out, he's lost the confidence of the American people, and the rest of his administration will show it."

But in Roseville, the Young Feel He Manipulated Them

By Paul Taylor
Washington Post Service

ROSEVILLE, Michigan — What Stacey Brown, 24, a Republican, did not like about President Ronald Reagan's speech about his Iran policy was the way she felt herself being manipulated.

"He came off like, 'Gee whiz guys, it's my fault,' but it seemed like he still blamed everyone else," said Miss Brown, a student at the Macomb Community College in this blue-collar suburb north of Detroit. "He said a lot, but he really didn't say anything."

"A bell went off in my head when he talked about his age. I thought, 'Oh boy, sympathy play here now.'"

Timothy Anderson, 20, a part-time auto mechanic and high-time student at the same school, had a nearly identical reaction.

"He wimped out, he wimped out big time," said Mr. Anderson, who is also a Republican. "He said, 'Oh my God, we screwed up. The people who worked for me did it but I'll take responsibility.' But he didn't give any solutions."

Lorraine Smith, 27, a hairdresser and a Democrat who voted for Mr. Reagan in 1980 and 1984, said: "I was really disappointed. I don't believe there were no notes taken. That's kind of hard to believe. Your secretary is usually with you, especially if you're the

'I was really disappointed. He sugar-coated everything, glossed over everything.'

—Lorraine Smith,
A hairdresser, 27

president. He sugar-coated everything, glossed over everything."

These barbed reviews came during a discussion Wednesday night with seven working-class voters in their 20s or 30s. They talked for two and a half hours, occasionally with pain and poignancy, about

their suddenly complex, suddenly ambivalent feelings toward the president.

They are a tiny sample — representative only of themselves.

A nationwide survey of 500 voters conducted after the speech by ABC News showed a more positive reaction: Of those who had watched Mr. Reagan's speech, 54 percent said they approved of the way the president was doing his job — 11 points higher than among those surveyed who had not watched the speech. The result was 10 points higher than after the Tower commission report on the handling of Iran policy was made public last week.

Still, there was something so sharp, so pointedly cynical, in the reactions of these young voters Wednesday night that it hinted at difficult new circumstances for the president.

These young voters were measuring, in a troubling new light, Mr. Reagan's character.

On the one hand, the young voters took a worldly, almost dismissive, view about matters of secrecy and law-breaking. "In order

to be president, you have to do certain things that aren't squeaky clean," said Mike McClelland, a journalism student. Mr. Anderson agreed: "Politicians have to be a little shady if they want to keep the edge."

On the other hand, the young voters kept harping on the way they did not like the feeling they had been fooled by a "cover-up."

"How can a man forget?" Mr. Anderson asked. "I mean, that's a career decision."

Miss Brown added: "During the election, there was such a big controversy over his age and he went to such extremes to say he was hale and hearty and he wasn't half his age. And now we're supposed to buy the fact that 'I don't know what was going on.'"

Others, however, took a more sympathetic view. "In the last five years, I can see my dad slipping some," Mr. McClelland said.

"I certainly don't remember what I was doing on Aug. 8, 1985," said Derrick Wysocki, 38, a detective who was Mr. Reagan's only unambiguous supporter in the group. "I don't feel he owes me an apology."

In a Refuge, Nicaraguan Bitterness

Peasants Describe Sandinist Army Sweeps, Loss of Faith

By James LeMoyné
New York Times Service

LAS AMAKAS, Nicaragua — The Sandinist army unit gave no warning when it swept into the village of Sinuá two years ago to seize peasants who supported the Nicaraguan guerrilla patrols that regularly moved through the area, according to several villagers who say they escaped the roundup.

"They chased us into the mountains," said Cristina Torres, 40, as she nursed one of her 10 children at a refuge on the Honduran-Nicaraguan border near here. She acknowledged that the villagers were sympathetic to the rebels, known as contras, and said 30 families escaped the army sweep.

She and several other peasant refugees said that after hiding in the jungle for several months they walked for almost two weeks to make their way to safety across the Honduran border.

They are among about 200,000 Nicaraguans who have fled to Honduras and Costa Rica in recent years, an expression of the deep divisions that have split Nicaragua and helped fuel a war that has taken more than 20,000 lives.

More than 1,000 refugees are believed to live along this stretch of the Honduran-Nicaraguan border, appearing to survive on the barest necessities.

Many wear rags and clothing stitched from nylon parachutes left in the jungle after being used to airdrop supplies to contra units.

Ninety-three refugees, most of them from Sinuá, gathered at a site on the border recently to explain why they had fled and why their experience had made them ardent followers of the U.S.-backed contras in their battle against Sandinist rule.

"The Sandinists promised in 1980 to help us, but instead they put our families in camps," said Gavino Martínez González, 52, who said he fled three years ago after being jailed by the Sandinists.

"We no longer have faith, we can come to an arrangement with them, so we will fight," he said.

Such disaffection appears to have led thousands of peasants to join the rebels over the last five years, contributing most of the foot soldiers now in the contra army.



Adolfo Calero Portocarrero after testifying Wednesday in Washington.

community of country people, who say their villages and small family farms were what gave their lives meaning.

One of the most embittered, Juan Torres Acuña, 42, said he and his family fled an army sweep in Sinuá in 1985. Over the next year they lived a hand-to-mouth existence, hiding in the jungle to avoid Sandinist patrols and receiving food and clothing from passing contra patrols.

The tactic seemed to be working until February when Mr. Torres said, a Sandinist unit opened fire on him and his family as they were harvesting corn in a mountain clearing.

He said the first bullets killed his 13-year-old son, Domingo, and another burst felled his other son, 11-year-old Juan, as he ran with his father for the cover of the nearby jungle.

Mr. Torres said two of his friends were also killed in the shooting.

When pressed, Mr. Torres conceded that the Sandinists initially had reason to be suspicious about him since he had been secretly helping contra units from his farm in Sinuá.

The Sandinists, he contended, were imposing a dictatorship on him. "If it were really a democracy," he said, "they wouldn't ration food and force us to sell our harvest to them and push us to join with them. For us this is communism."

8 Nations to Hold Talks On Central America

MONTEVIDEO — Delegates from eight countries trying to draft a peace accord in Central America will meet next week in Uruguay, Foreign Minister Enrique Iglesias announced Thursday.

Representatives from the nations comprising the Contadora group — Mexico, Colombia, Panama and Venezuela — and the Contadora support group — Argentina, Brazil, Peru and Uruguay — will discuss the conflicts in the region, Mr. Iglesias said.

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HYATT REGENCY MANILA

A Contra Confirms Getting Swiss Funds

By Joe Pichirallo
Washington Post Service

WASHINGTON — The Nicaraguan rebels' main military force received \$200,000 from a Swiss bank account controlled by Lieutenant Colonel Oliver L. North, according to the attorney of a top rebel leader, Adolfo Calero Portocarrero.

The lawyer's statement on Thursday night was the first confirmation that the Nicaraguan rebels had obtained money from a Swiss bank account that may have received funds diverted from the secret sale of arms to Iran by the Reagan administration. Colonel North was dismissed from his job with the National Security Council after the Iran-contra affair became public in November.

Mr. Calero heads the Nicaraguan Democratic Force, the chief military arm of the rebels, known as contras.

His attorney, Joe Portuondo, confirmed that the Nicaraguan Democratic Force received two deposits totaling \$200,000 in late October 1985 from Lake Resources Inc.

The Tower commission, which investigated the Iran-contra affair, said last week that millions of dollars in profits from the Iran arms

sales were deposited in Swiss bank accounts in the name of Lake Resources. Lake Resources was also controlled by a retired U.S. Air Force major general, Richard V. Second. He is a key figure in both the Iran arms sales and the contra aid effort.

It is not known whether the Swiss accounts in the name of Lake Resources had received any diverted Iran arms profits by October 1985, when funds were transferred to Nicaraguan Democratic Force accounts.

Colonel North told Attorney General Edwin Meese 3d that the idea of diverting money to the contras first surfaced in a conversation with an Israeli official in January 1986, according to the Tower report.

Mr. Portuondo said he recently discovered that the Nicaraguan Democratic Force received funds from Lake Resources while reviewing the group's financial documents. The documents have been turned over to the independent counsel, Lawrence E. Walsh, and congressional committees investigating the Iran-contra affair.

The lawyer said he informed Mr. Calero what he had found, but other sources said Mr. Calero did not realize Lake Resources was tied to

Colonel North and General Second until Thursday afternoon. In a television interview broadcast Thursday night, Mr. Calero said he had just discovered the Lake Resources deposits.

Hours earlier, Mr. Calero had met with groups of reporters in Washington. He emphatically stated that there was no available evidence in financial records of the Nicaraguan Democratic Force showing that the group had received any diverted funds.

Mr. Calero said the Nicaraguan Democratic Force received more than \$32 million in cash donations from anonymous sources during the two-year congressional ban on direct U.S. military aid to the contras and spent \$18 million to buy and ship weapons.

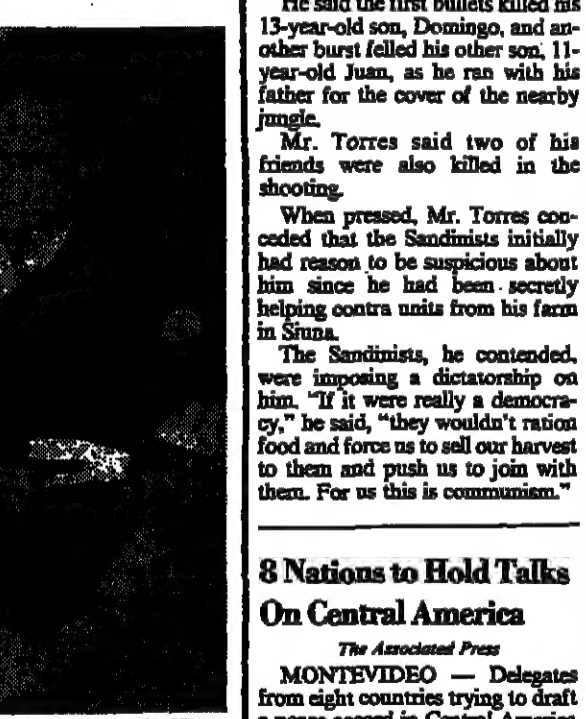
He said that the Nicaraguan Democratic Force had set up six bank accounts in Panama and the Cayman Islands to handle the cash that came from the anonymous donors.

Mr. Calero, who appeared earlier this week for the second time before the federal grand jury investigating the Iran-contra affair, said that the Nicaraguan Democratic Force received nearly all its cash contributions from July 1984 to late March 1985.

The \$32 million figure is consistent with the Tower commission's report, which cited evidence that the rebels had received a similar amount from an unidentified foreign official, who supplied the funds in monthly deposits of \$1 million and \$2 million.

Mr. Calero said that he did not know the source of the \$32 million.

AMERICAN TOPICS



Three Democrats in the House of Representatives, from left, Tony Coelho, Ronald V. Dellums and Joseph P. Kennedy Jr., joined other politicians and actors in spending Tuesday night on Washington's streets to draw attention to the needs of the homeless.

Tourism Is Surging In the Golden West

Tourism has overtaken the traditional extraction industries — agriculture, mining and timber — to become Idaho's most important source of private-sector jobs. The Washington Post reports, and the same transformation can be seen throughout the West. From the Rio Grande to the Canadian border, the states along the spine of the Rocky Mountains are moving to a new "attraction" economy based on drawing tourists.

Throughout that grandly scenic region, tourism is the fastest-growing industry. In some places, it is the only growing industry. The Travel Industry Association of America concludes that the travel-recreation industry is the biggest private employer in the West, from Colorado, Idaho, or in Arizona, Colorado, Utah and Nevada, New Mexico, and Wyoming. Despite the West's legendary dislike of government, the largest overall government employer.

The trend toward tourism is reflected in important changes in environmental laws and land-use policies. Now that protecting the region's natural beauty is an economic necessity and not just some abstract aesthetic principle, conservation has become a matter of broad consensus.

"The old stereotype was a fight over everything between industry and environmentalists," said Jo Clark, director of programs for the Western Govern-

ments Association. "Now there's a compatibility of interest in preserving the land."

Short Takes

Hollywood is recycling television series from past decades as new feature films, including "Dragnet," updated to "Dragnet 1987," and "The Untouchables," both to be released in June, and series such as "Highway Patrol" and "Mission Impossible." Scott Rudin of 20th Century-Fox said the main advantage is "title identification," adding, "You have immediate presence in the marketplace." Producers hope to draw on two huge potential audiences: adults who watched the series as children, and children who have seen the constant reruns.

Several celebrities spent the night out sleeping on heating grates in Washington to publicize the plight of the homeless. The group included Mitch Snyder, advocates of the homeless, the actors Martin Sheen and Dennis Quaid, and several Democratic congressmen: Tony Coelho and Ronald V. Dellums of California, Joseph P. Kennedy Jr. of Massachusetts and Mickey Leland of Texas. "God, was it cold," Mr. Coelho said the morning after, "and the wet came through the sleeping bag. It was miserable." Some of the homeless were not pleased. "They felt this was a vulgar demonstration

on the part of middle-class rich whites," said Mr. Leland, a leader of the congressional black caucus. "I've never been called a rich white before."

Hang glider pilots have made their peace with Sylmar, California, which is to hang gliding what Wimbledon is to tennis. The Sylmar Hang Gliding Association says the sport began in Venice, California, in the late 1960s, and high-altitude flying originated over Sylmar, from the ridges of the San Gabriel Mountains, about 1970. But careless flyers landed in backyard fences and flower beds, and spectators trampled lawns and generated litter. Home owners asked the city to chase them all away. Then the pilots organized to impose rules on themselves and the spectators, and the protests have faded. "The hang gliders have become an asset," said Dean Cohen of the Sylmar Civic Association. "It's spectacular to watch these colorful gliders come down out of the sky on a sunny day."

Alexander Godunov has become a U.S. citizen. The Bolshoi Ballet dancer defected from the Soviet Union in 1979. After being sworn in last week with 189 other new citizens in U.S. District Court in Manhattan, Mr. Godunov, 37, said he would celebrate with a hamburger stuffed with caviar.

—ARTHUR HIGBEE



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INTERNATIONAL Herald Tribune

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Hasten Slowly on Brazil

A country newly democratized, heavily indebted, ravaged by inflation and suffering vast gaps between rich and poor needs encouragement, and material help, from other free countries. Brazil, whose finance minister, Dilsen Funaro, missed the Carnival because he was visiting his creditors, has all these characteristics.

But it is hard to get foreign help unless you are, reasonably, helping yourself. A year ago we doubted whether Brazil's stabilization program, the Cruzado plan, would bring inflation down for long. Regrettably, this doubt was justified. Relying too heavily on price control, the plan only attacked the symptoms of inflation. For a few months the public went on a spending spree, finding its income up and prices blocked. But local goods became increasingly scarce except on the black market, and imports soared. A root cause of hyperinflation, the state deficits, was attacked only belatedly and partially, and wage pressure by unions remained strong. Foreign debt became difficult to service, since the trade balance had worsened. By the end of the year high inflation had resurfaced and capital flight had grown worse. Last month, Brazil suspended interest payments to foreign creditors — an unscheduled bank holiday — and sent Mr. Funaro on his tour.

It is all too easy to criticize Brazil's government. Facing huge political difficulties, it failed to stabilize the economy. It is all too easy to criticize the creditor banks. They have been slow to ease their terms because they are loath to take new

risks until management of the Brazilian economy has improved. Mr. Funaro took the game temporarily out of the bankers' parlors by going straight to their governments. His tactics may not be right.

A prompt breakthrough in the dispute seems unlikely. The Brazilian government is not going to be able to adopt a convincing program quickly. The foreign banks are hardly likely to make major concessions that call into question the agreements they are painfully reaching with other debtors. A third course — huge levels of financial help by foreign governments — seems purely theoretical when the rich countries are seeking to control their own public finances more strictly. The ultimate possibility, clearer default on debt than Brazil has so far suggested, would be a breakdown, not a breakthrough, putting the international financial system and world trade into peril.

When things are thus, the best hope is to play the game quietly, seeking minor mutual concessions that build up gradually to an acceptable settlement. Major confrontation is unproductive when no partner has much immediate scope for maneuver. A vast and spirited country with acute internal political problems has to come to terms with foreign banks which have a narrow path to tread and which will not yield easily to political pressure. Hasten slowly, as Suetonius said in Rome 2,000 years ago. Whistle-stop tours by finance ministers can only slow down the progress.

INTERNATIONAL HERALD TRIBUNE.

Not Quite a Mea Culpa

President Reagan still cannot pronounce the word "I" in the same sentence as the word "mistake." If his speech Wednesday about the Iran-contra scandal was intended as a confession of error, his heart was not in it. He sounded at times like a man who is sure he hasn't done anything wrong — and promises never to do it again.

But despite some grudging, fudging aspects, Mr. Reagan's appearance brought a welcome advance. With this speech he accepted, and demonstrated, responsibility.

In a time when many people have interpreted his wife's interventions as confirmation that he is starting to nod, he needed to allay doubts about his acuity. His energetic presentation did as much as his words to answer this concern.

The president needed to affirm obedience to the law concerning National Security Council activity. He did that flatly: "Proper procedures for consultation with the Congress will be followed, not only in letter but in spirit."

The speech was flawed by a puzzle: his contention that he has been silent on the relations about Iran. The concern has not been his silence but his contradictory statements, both to the public and to his own board of inquiry.

Further, there was a seeming inconsistency. "A few months ago I told the American people I did not trade arms for hostages," he said. "I did not trade arms for hostages. My heart and my best intentions still tell me that is true, but the facts and evidence tell me it is not." In short, he had kidded himself into thinking he was lionhearted, holding out courageously for sound geopolitical strategy.

— THE NEW YORK TIMES.

The Gifts of Danny Kaye

Winston Churchill, who knew a thing or two himself about how to captivate a crowd, once asked Danny Kaye, "What is the secret of your control over an audience?" Part of it, of course, was his riving presence: the rubber face, the brilliant blue eyes, the mile-a-minute tongue and the dancing feet. But to millions of all ages who howled, cried and sang along with Danny Kaye for more than 40 years, it was his phenomenal mastery of the international language of laughter and love that won him worldwide affection. Mr. Kaye, who died Tuesday at the age of 74, was a unique talent, a globe-trotting jester who never failed to make children smile, even if they didn't understand a word he was saying.

He gave new meaning to the word zany, with rapid-fire routines done in what a reviewer from the New York Herald Tribune described as "triple-talk." Mr. Kaye's first feature movie, "Up in Arms," proved a smashing showcase for his talents and led to a string of films in which he played multiple roles, including an arrogant Prussian, an elegant Frenchman, a clipped-speech En-

— THE WASHINGTON POST.

Other Comment

The Maneuvering in Italy

Italians, who patently enjoyed the relative stability of the Bettino Craxi administration, are wearily asking whether it was just a deceptive interlude. The answer has to be no. Italy exudes a new-found confidence in foreign affairs and economic dealings. Mr. Craxi wants to reap the benefits of

what is generally perceived to have been a successful premiership, perhaps by forcing an early poll. All the Christian Democrats want is one of their own in the top job. The two [may] compromise one of the few important recent political gains in Italy — the consolidation of a more stable center, and the squeezing of the Communists.

— The Independent (London).

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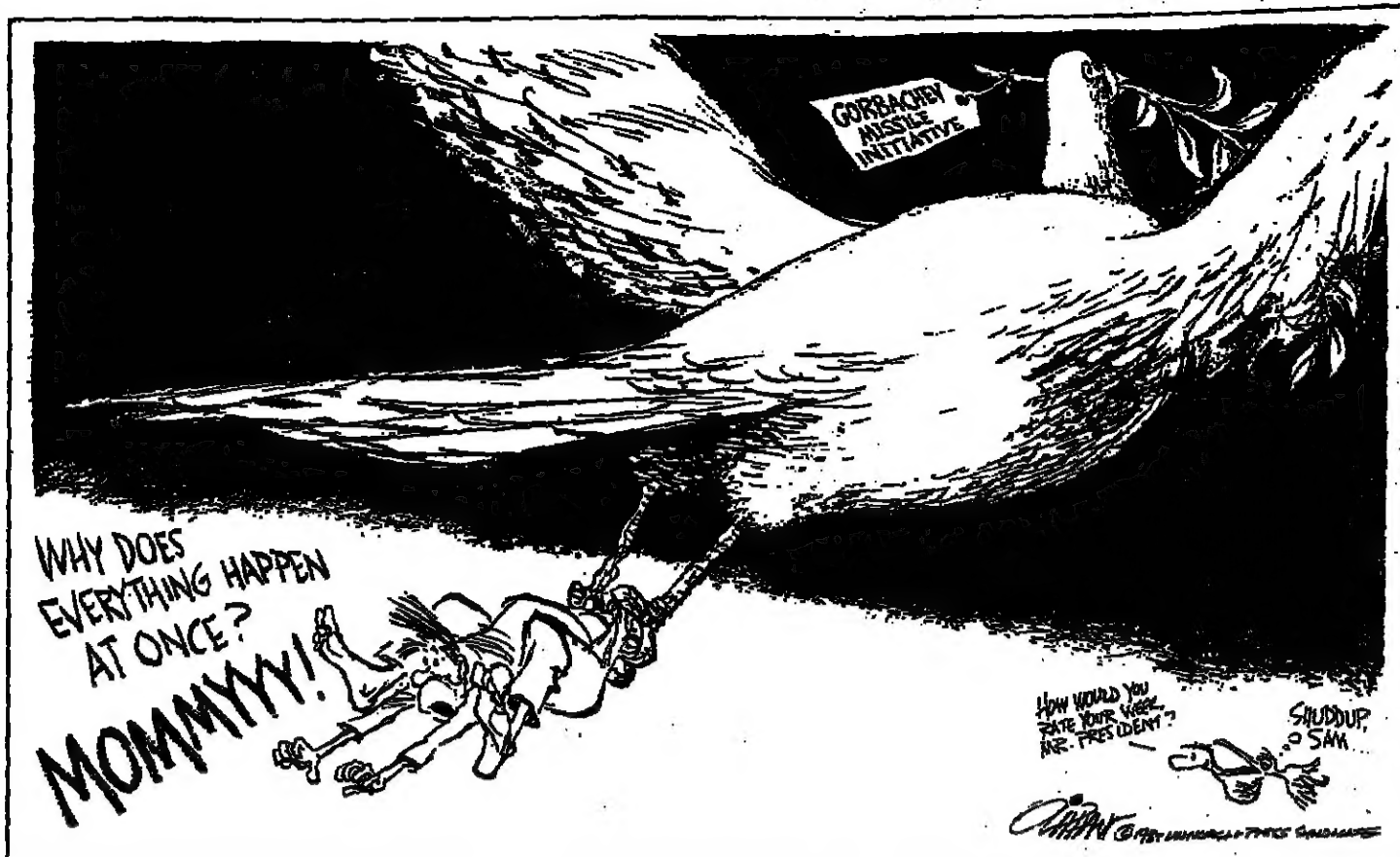
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OPINION



A Prescription for Coming to Terms With Nicaragua

By Steven Philip Kramer

WASHINGTON — If the Sandinists really presented a serious threat to U.S. security, the Reagan administration would already have invaded Nicaragua. The fact that no such invasion has occurred implies that even the administration believes that the Sandinists constitute an irritant, not a threat.

Nicaragua no longer poses a danger to the stability of the region, nor does the Sandinist revolution represent an exportable model of social change. The regime's own misadventures have created a psychological cordon sanitaire around Nicaragua's borders more effective than the American military presence in Honduras.

The administration would, however, like to see the Sandinists disappear. Who wouldn't? Where are the Sandinists' legion of admirers today? But there is no way of forcing the Sandinists out short of an invasion, which the United States will not undertake. Few people in Washington believe that the contras, as the rebels are known, can win.

Single-minded reliance on the contras as the only option in Nicaragua probably would result in consolidation of a communist regime. Yet, if Congress finally decided to write off the moribund contra program, the United States would lose its major bargaining chip. Thereafter, the Sandinists would have little incentive to negotiate. Even now, the likelihood that Congress will end aid to the contras has severely weakened the U.S. position in any negotiating situation.

If ever there were good answers to the Nicaragua problem (and probably there never were), there certainly are none now. The administration must act soon, however, to avoid the worst.

There are four prerequisites for any workable

alternative U.S. policy. First, such a policy must be based on a clear understanding between the administration and moderate opponents of contra aid.

President Reagan has been unwilling to accommodate their opinions. His willingness to do so now would be a good test of his strongly stated desire in his speech Wednesday to pull the country together after the Iran-contra scandal.

Second, both the coalition and the policy must survive the arrival of the next administration. Third, the new policy must be implemented before Congress votes down contra aid. Unity in Washington would strengthen the U.S. bargaining position.

Fourth, the policy must involve sticks as well as carrots. The Sandinists must not be allowed to believe that American pressure will cease even if they refused to bargain in good faith. The substance of the policy would be nothing new. It involves taking off the back burner the alternative that has been there for years, trading U.S. acquiescence to Sandinist rule for limitations on Nicaraguan foreign and defense policy. The Sandinists would have to repatriate Cuban and Soviet-bloc advisers, restrict the size and armament of their armed forces, renounce intervention abroad and show some modicum of nonaggression.

If such an agreement could be agreed upon in principle, the details could be worked out by negotiators. And if the United States and Nicaragua were willing, discussions could be conducted under the auspices of neighboring Latin American countries that have already offered their services. The real question is whether the United States still has

the leverage to obtain even this modest kind of agreement, which probably could have been obtained a few years ago.

Such a policy would leave America open to the charge of "selling out" the contras and with them the prospect of democracy in Nicaragua. But in truth, Washington would be abandoning a cause that has no real hope of success.

Is there reason to hope for positive change in Nicaragua after a normalization of relations with the United States? There is some. Latin American and European nations that have downplayed their criticism of Nicaragua because of opposition to the contras would become more vocal.

The Soviet Union might not find it in its interest to subsidize the Nicaraguan economy the way it has subsidized Cuba's. In that case, U.S. economic assistance might be exchanged for some "political price" for the legal opposition. If the regime remained unresponsive to popular demands and closed off legal forms of opposition, perhaps a genuine guerrilla opposition would eventually emerge on its own.

Now is the time to cash in the United States' bargaining chips before they become totally depreciated. Nicaragua will remain a problem, but its importance should not be exaggerated. Consistent, long-term American policy can keep the situation within bounds. In the meantime, it is necessary to think about how to avoid future Nicaragua. U.S. policy in the Philippines and Haiti indicates that some progress has been made.

The writer directs a foreign affairs program of the Carnegie Endowment for International Peace. He contributed this to The New York Times.

The War in Cambodia May Not End in This Century

By Michael Leifer

SINGAPORE — The Third Indochina War over Cambodia has been waged with limited intensity since Vietnam's invasion in December 1978. Despite renewed diplomatic movement prompted by a speech last July in Vladivostok by Mikhail Gorbachev, the underlying conflict remains unresolved.

In contention is Phnom Penh — one subordinate to Vietnam or one of a more independent political disposition. At stake is whether or not Vietnam will consolidate its dominance throughout Indochina — a matter with huge implications for the balance of power in Southeast Asia.

From the outset, this broader question engaged the competing interests of China and the Soviet Union. They have been primarily responsible for fueling the furnaces of war with military and other aid, so enabling local clients to stay in the field.

Within Cambodia, and along the border with China, the Vietnamese

have been subjected to sustained military harassment by Cambodian insurgents and China's regular forces, which they have failed to overcome. But that harassment has not been sufficient to dislodge Vietnam's army from Cambodia or to prompt a reappraisal of policy in Hanoi.

Military stalemate has not given way to political compromise. The contending parties see a settlement in mutually exclusive terms that would deliver Cambodia intact either to themselves or to their adversaries.

Because of the zero-sum nature of the conflict, the matter of cost has become of critical relevance. Obviously, the war would come to an end if one side were able to impose a military solution on the other.

The Vietnamese did just that when they overwhelmed the French at the battle of Dien Bien Phu in 1954 to win the First Indochina War.

But the Third Indochina War, over

Cambodia, does not lend itself to ready conclusion by military hammer blow; nor does it hold out the prospect of major escalation.

The continuing stalemate could be broken if one side were to find the costs of prosecuting the war unacceptable. That factor was decisive in President Richard Nixon's decision in 1973 to negotiate an end to America's involvement in Vietnam — the Second Indochina War.

In the Third Indochina War, both military stalemate and mutual acceptability of costs obtain. For Vietnam, stiffened by Soviet support, close influence over Cambodia is regarded as a strategic imperative for which the government in Hanoi is willing to pay a high economic price.

For the Cambodian resistance, external aid from China and an ability to recruit new guerrillas into its ranks makes continuing military struggle a practical option. For outside parties,

including Thailand, whose border area with Cambodia serves as an active sanctuary for Cambodian insurgents, the acceptability of costs reflects the limited risk of a wider war. That limited risk encourages, in turn, a determination to resolve the issue on terms favorable to its clients.

Thus in contention over Cambodia appear more willing to tolerate protracted war than political compromise. For compromise, which could jeopardize vital security interests, is seen as more dangerous than the risks and costs of prosecuting the war. As long as this outlook prevails, there is no reason why the war over Cambodia, now in its ninth year, should not continue on its bloody course into the next century.

The writer, a faculty member at the London School of Economics, is visiting professor of political science at the National University of Singapore. He contributed this comment to the International Herald Tribune.

LETTER

Appreciating Warhol

Regarding the obituary of Andy Warhol (Feb. 23):

Unfortunately, the report on Andy Warhol's death did not treat the event with the seriousness it deserved. As image-maker and transformer of images (painter, filmmaker, photographer) and social documentarian (editor, journalist, "star"), he was very consequential, a conceptual artist par excellence.

More than perhaps any other artist of the 20th century, his art came to embody his existence, and implicitly, provided a commentary on American society in general.

To say that "his success with a Campbell Soup can in 1962 caused him to turn to pop art" is to trivialize the artist's work.

MARC DELANY,
Melbourne.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: The News in Brief

NEW YORK — Secretary Meyer has asked the House Committee on Naval Affairs for \$1 million to establish an around-the-world wireless telegraph system to enable U.S. battleships everywhere to be in communication.

ROME — According to a Foreign Telegram to the "Tribuna," excavations begun three months ago in an unexplored part of the buried city have produced important discoveries. In a street called the "Street of Abundance," shops were excavated and found to contain vases and gold money.

PARIS — Edmé Chandon has been appointed an assistant astronomer at the Observatoire de Paris. This young woman was the distinction of being the first woman admitted officially into a French observatory.

NEW YORK — The marrying justices of Greenwich, Connecticut, have united in refusing to marry young men to old women during leap-year.

Six Words From the President

By David S. Broder

WASHINGTON — Well, that wasn't so hard, was it?

Just six words from the president's lips: "No excuses. It was a mistake." And four months of damaging talk, which climaxed in exaggerated accounts of a ruthless wife manipulating a shaken and weak-minded old man, suddenly began to look like the distortion it is.

The words Ronald Reagan spoke Wednesday night were the words his political supporters had been pressing him to utter for months. Even more important, the actions he took in the days leading up to the speech were the actions they had called for long before the turn of the year.

It was in December that Senator Alan Simpson of Wyoming, the deputy Senate leader of the Republicans, said that "the guy on the balcony" in Laramie was not buying Mr. Reagan's explanations of his "overturn" to Iran. They needed to hear the president say that selling arms to the ayatollah was wrong.

It was then that Senator Richard Lugar of Indiana, the outgoing chairman of the Foreign Relations Committee, and others said that confidence in White House operations could not be restored until the president dropped his compromised chief of staff, Donald Regan, and found a credible substitute.

Historians of the Reagan presidency face the challenge of explaining why he delayed so long in saying and doing things so clearly necessary. He evidently is not a naturally impatient man. But he is a man who is a combination of two traits that are fundamentally Mr. Reagan's character and, in other circumstances, part of his strength.

One is optimism. Robert Strauss, the Democratic elder statesman who was recruited to advise the president early in this sad affair, came away stunned that Mr. Reagan seemed to believe that "it would blow over in a week or two," by itself.

The second trait is stubbornness. An old friend of the president, who was part of the pre-Christmas effort to remove Mr. Regan, said that Mr. Reagan "really has his back up. He's tired of people pressuring him."

Mr. Reagan never would have become president had he lacked that innate optimism and stick-to-principles stubbornness. But in this case, he was misreading reality and fighting for something indefensible. Until he could acknowledge that he had allowed the swap of arms for hostages and had chosen a chief of staff who was the wrong man for the job, the situation could not get better. It could only continue to erode.

Finally, the break has come and no one should minimize the extent of the changes that have been made. The president and his reputation remain at risk, so long as the investigations continue and so long as large questions — involving the diversion of money into still unknown hands — remain unanswered. But, meantime, what is in effect the third Reagan administration has begun.

With former Senator Howard Baker as chief of staff, with Frank C. Ruess, an esteemed and tested policy manager, house-cleaning and running the National Security Council staff, with Judge William Webster, an intelligent and principled person, moving over from the FBI director's job to run the Central Intelligence Agency, the administration has regained the look of professionalism it had during the first term.

You do not have to believe that Mr. Reagan is about to become a "hands-on president," as former Senator Paul Laxalt says, in order to assert that things now should run more smoothly. I doubt that Mr. Reagan will close down the Bay of the Great Delegation. But the quality of the delegates has risen dramatically.

If the president will it, Mr. C. Ruess has the competence to obtain concurrence from the often-at-odds secretaries of defense and state, Casper Weinberger and George Shultz, for a serious approach to the Soviet Union on arms control.

If the president will it, his aides can move the "competitiveness package" of trade and technology programs from the status of a public relations ploy to a serious proposal.

If the president wishes it, he and his staff can move from being the "Great Delegation" to being the "Great Delegation."

All that is possible, because the president finally has done and said what was required. It wasn't so hard, was it? So what took so long?

The Washington Post.

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Six Words From the President

By David S. Broder

WASHINGTON — President Ronald Reagan's six words from the White House last night were a direct challenge to the Soviet Union's refusal to withdraw its troops from Afghanistan. The president said the United States would not be intimidated by the Soviet Union's military power. He said the United States would continue to support the Afghan resistance fighters. He said the United States would continue to support the peace process in the Middle East. He said the United States would continue to support the fight against terrorism. He said the United States would continue to support the fight against drug trafficking. He said the United States would continue to support the fight against nuclear proliferation.

Runcie Asks Mideast Help In Finding His Envoy

By Francis X. Clines
New York Times Service

LONDON — At a time of relative calm in Beirut, the archbishop of Canterbury has sent messages to officials in the Middle East in the hope of finding fresh traces of Terry Waite, the hostage negotiator feared kidnapped six weeks ago.

Church of England officials confirmed this on Thursday but declined to offer specifics or verify that one of the archbishop's pleas was sent to Sheikh Mohammed Hussein Fadlallah, a Beirut figure described as the spiritual leader of the pro-Iranian group Hezbollah, or Party of God.

According to reports in As Safir, a Beirut newspaper, the sheikh informed Archbishop Robert Runcie that he had been unable to help find or obtain the release of Mr. Waite despite "intensive efforts."

"Spokesmen for both the church and the British government said that while unconfirmed rumors and reports continue to circulate about the whereabouts of Mr. Waite, no reliable word has arrived either from him or from credible sources reporting on the possibility of negotiating his release."

"No word, no certainty," a church spokesman at Lambeth Palace said. "Dr. Runcie is very concerned."

There have been waves of speculation but no firm information since Mr. Waite disappeared in Lebanon on Jan. 20 during one of his attempts at mediating the release of some of the 25 other foreign hostages held in Lebanon.

The British Embassy in Beirut had been trying to track Mr. Waite through a web of warring factions but had to cease a few weeks ago when street fighting intensified and effectively prevented travel, British officials said.

The embassy is in East Beirut and, even with Syrian soldiers restoring a modicum of peace in some parts of the city, a trip to West Beirut in the search for Mr. Waite is still considered quite dangerous, officials noted.

The British had been trying to work through the Druze Progressive Socialist Party, the Beirut faction that had vouched for Mr. Waite's safety in his January mission but lost contact with him. This faction was one of the main parties involved in the intense street warfare of recent weeks.

Officials said there was no easy way of resolving the shifting situation in Beirut, where Syria and Iran are rivals for influence.



John Demjanjuk, left, consults with Mark O'Connor, one of his attorneys, during his trial in a Jerusalem courtroom.

Demjanjuk Can't Explain Wartime Whereabouts

United Press International

JERUSALEM — Israeli prosecutors say John Demjanjuk, the retired auto worker from Cleveland who is charged with Nazi war crimes, cannot account for his whereabouts during the period when he allegedly operated the gas chambers at a Nazi death camp.

Mr. Demjanjuk, who was stripped of his U.S. citizenship and extradited to Israel last year, insists that he was never at the Treblinka death camp in German-occupied Poland. He says he spent World War II as a Soviet soldier in several German prisoner-of-war camps.

But an Israeli investigator, Alexander Ish-Shalom, testified Thursday that Mr. Demjanjuk, who was born in the Ukraine, cannot name the prisons or remember anything about them.

"The man was not able to give even one name, not even the name of the man who slept in the bunk above him," Mr. Ish-Shalom said of Mr. Demjanjuk at his trial, which is in its third week.

He said that Mr. Demjanjuk had stunned investigators when he blurted, "You are pushing me to Treblinka," before any of his interrogators mentioned the name of the camp.

An estimated 870,000 Jews were killed at Treblinka during the Nazi occupation.

Mr. Ish-Shalom said Mr. Demjanjuk had "no response" when

asked why six Treblinka survivors claimed that they had seen him at the camp and identified him as the sadistic guard known as "Ivan the Terrible."

Prosecutors presented the court with a document purported to be Mr. Demjanjuk's identification card from a Nazi training camp, where guards were trained for duty at Treblinka and other camps.

The defense says the document is false and was concocted by the KGB, the Soviet secret police. The court has ordered laboratory tests to verify the document's authenticity.

Mr. Ish-Shalom also testified that even if he was "Ivan the Terrible," he was only a soldier following orders and therefore could not be blamed for killing the Treblinka victims.

"If I was in Treblinka, then I was just a small cog," Mr. Demjanjuk reportedly told U.S. marshals who escorted him from the United States to Israel for the trial. "There was a war on, and there was no choice but to follow orders. But I was never in Treblinka."

U.S. marshals are scheduled to testify later on Mr. Demjanjuk's alleged statement.

Four Treblinka survivors have testified at the trial. Two insisted that Mr. Demjanjuk was Ivan, and the others made tentative identifications.

Palme Probe Criticized As 'Slovenly And Passive'

Reuters

STOCKHOLM — The outgoing Stockholm police chief on Friday ridiculed the new team looking for the murderer of Prime Minister Olof Palme, saying its main idea so far was a plan to hypnotize Mr. Palme's widow.

Hans Holmer, who was replaced as head of the Palme investigation last month, criticized his successors after resigning from the police force on Thursday in protest at what he called their "slovenly and passive" handling of the inquiry.

A spokesman for the new Palme investigation, Ingvar Eriksson, confirmed that the police had discussed the possibility of questioning Mr. Palme's widow, Lisbeth, under hypnosis in an attempt to throw new light on the assassination of Mr. Palme last year.

"There have been cases in other parts of the world where hypnotizing has yielded results," he said. But he stressed that the plan was only an idea and that Mrs. Palme had never been asked to undergo hypnosis.

Mrs. Palme was slightly injured in the attack on her husband on Feb. 28, 1986. The police have no suspect or motive in the case.

In an article Friday in the Stockholm tabloid Expressen, Mr. Holmer wrote that the new Palme investigation was not making any progress. "My resignation cannot damage the inquiry as there no longer is any real interview," he said.

In a television interview, Mr. Holmer said the fact that the police were considering hypnotizing Mrs. Palme was proof that they had nothing else to go on. He called his successors bureaucrats.

His remarks drew a swift response from Holger Romander, the national police commissioner and the new overall head of the Palme inquiry. "He should have concentrated on being a good administrator rather than playing detective," Mr. Romander said.

Mr. Holmer said the police had followed up 170 different lines of inquiry since Mr. Palme was shot. The various theories included one that the assassin was a Belgian mercenary. Another was that the Swedish police or security services might have killed him.

In his article, Mr. Holmer said his investigators had discounted a private motive for the murder. He added that "there was no reason to believe Palme may have been killed because of his United Nations role mediating in the war between Iran and Iraq."



Hans Holmer after a television interview Thursday night in Stockholm. Security guards accompanied him to and from the studio.

"Palme's murder was efficiently planned, dispassionate, brutal and organized," he said.

Mr. Holmer had insisted on considering the extremist Kurdish Workers' Party as the prime suspect. This led to violent disagreements with the prosecutors in the case, and the government eventually intervened.

In an Ethiopian Orphanage, Hope

A New Life for Children Whose Parents Died in Famine

By James Brooke
New York Times Service

REPI, Ethiopia — Embeti, about 3 years old, stopped chattering with her rag doll and looked up curiously at two visitors hovering overhead.

"We don't know her history — we had to give her a name and an age," Getachew Zewdie, director of the orphanage, said of Embeti, who played on a sunlit veranda here with six other children.

The children are a living legacy of Ethiopia's famine of 1984-86, which is estimated to have killed one million people. The children are part of a group of 10,000 children whose parents died of disease or hunger.

"When the feeding camps started closing down last year, all that was left were the kids," said the Reverend Collin F. Battell, an Anglican priest who helps administer the orphanage, which is financed by the American Episcopal Church.

At the peak of the famine last year, the number of Ethiopia's orphans reached 200,000. But most of these children proved to be merely separated from living parents or relatives.

In 1985, in a hurried program to move 1.5 million famine victims from dry northern Ethiopia to the fertile south, some children and parents were placed on different buses.

After an international outcry,

the program was suspended and the Ethiopian government started a "reunification" program for separated families.

The 63 children at the Jerusalem Children's Home in Repi come largely from Ethiopia's northern provinces of Wollo and Tigre and their parents have never been found.

"I'm surprised how unaffected they are," said the Reverend Charles P. Sherlock, another Anglican priest, as he watched a noisy group of small boys chasing a soccer ball through avocado and cedar trees.

Situated in the cool hills outside Addis Ababa, the orphanage occupies a villa that was once the residence of an official of the old regime, the minister of the imperial pen. When the Marxist revolution swept aside Haile Selassie's empire in 1974, the state seized the villa. In 1985, faced with a growing number of famine orphans, the state ceded use of the villa to the church group.

"Here is the main boys' dormitory," Mr. Getachew said, switching on a chandelier to reveal a formal dining room decorated with a pink marble fireplace and furnished with 24 bunkbeds of unfinished wood.

"Most of the clothes and toys come from England," Mr. Sherlock said, pointing to an array of stuffed bears, dolls and dogs that bore the wear and tear of cuddling by several owners.

Outside on the veranda, eucalyptus smoke scented the early evening air as the orphanage cook worked over two woodburning stoves, preparing a huge pot of curry and a stack of injera, or spongy Ethiopian pancakes.

From the valley below, the recorded strains of the "International" rallying song of the international Communist movement, could be heard coming from an outdoor loudspeaker. Sung in Amharic, Ethiopia's official language, the anthem signaled the end of a neighborhood political indoctrination session.

On the hill, Fachal, the orphanage's pet goat, chewed on a pants leg of a small girl who had a blue cross tattooed on her forehead.

"She must have been from Tigre," Mr. Sherlock mused. "The Orthodox peasants there still tattoo baby girls with crosses."

At the orphanage, the children learn to garden and to clean their clothes, shoes and blankets. They learn the Amharic alphabet and are taught the prayers of the Ethiopian Orthodox Church. On Sundays, they climb the hillside to attend services at an old Orthodox church.

The program, financed by the Presiding Bishop's Fund for World Relief of New York, has opened four Ethiopian orphanages in the last two years. The orphanages, which care for 450 children, have a capacity for 900.

"It costs \$35 a month per child to keep things going," Mr. Sherlock said.

"I believe this would create serious problems in our relationship, undermine our relationship with Pakistan and put at risk a variety of larger interests in regard to Pakistan," he said, "including the influence which we have over Pakistan nuclear decision-making."

"We should avoid public confrontations and legislative ultimatums of standards Pakistan must meet," he added.

Mr. Peck said the Pakistani government repeatedly has claimed that it has "neither the means nor the intentions" of acquiring nuclear weapons "of any kind."

Asked what the administration regarded as reliable assurances, Mr. Peck said the best solution would be for Pakistan to put all its nuclear facilities under international safeguards.

Mr. Peck also rejected the idea of reducing the waiver period of the Symington amendment from six to two years, or to postpone a decision until September as a means of keeping the pressure on Pakistan.

Pakistan and the Bomb: Dilemma for U.S.

By David B. Ottaway
Washington Post Service

WASHINGTON — A senior administration official has told Congress that the United States can no longer obtain "reliable assurances" from Pakistan that it is not producing material for nuclear weapons. But the official appealed to Congress to avoid "legislative ultimatums" that would impair U.S. aid.

The official, Robert A. Peck, the deputy assistant secretary of state, was responding Thursday to a letter from Senator John Glenn, Democrat of Ohio, to President Ronald Reagan calling for a suspension of U.S. military aid to Pakistan.

Mr. Peck said there was "not a very high probability" that Mr. Reagan could obtain the "reliable assurance" that Mr. Glenn seeks from Pakistani authorities regarding their nuclear intentions.

Mr. Peck's comments, before the House subcommittee on Asian and Pacific affairs, underscored the dilemma that Congress and the administration face this year in trying

to use a six-year, \$4 billion aid program proposed for Pakistan to pressure it to halt efforts to build a nuclear bomb.

The administration has asked Congress to grant a six-year waiver to Pakistan from the so-called Symington amendment, which prohibits U.S. aid to any country involved in producing enriched uranium without proper safeguards.

Furthermore, for U.S. aid to go forward, the president must certify to Congress annually that Pakistan does not have a nuclear explosive device.

Mr. Peck's comments appear to raise questions about whether the president can continue to sign the necessary certifications in the face of growing evidence that Pakistan has reached the nuclear threshold and is now producing weapons-grade enriched uranium.

A leading Pakistani nuclear scientist, Abdul Qader Khan, said in an interview with the London newspaper, the Observer, on Sun-

day that Pakistan has the bomb and is producing its own enriched uranium.

Although Mr. Khan subsequently denied making such a statement, the article has fueled the reappraisal under way in Congress over U.S.-Pakistani relations. Pakistan's support is crucial to U.S.-backed rebels fighting to remove Soviet troops from Afghanistan.

Mr. Glenn, citing the Khan interview in his letter on Thursday to Mr. Reagan, urged the president to suspend military assistance to Pakistan "until you have received reliable assurances from the Pakistanis that they have ceased producing nuclear explosive materials."

Asked by Representative Stephen J. Solarz, Democrat of New York and chairman of the House subcommittee on Asian and Pacific affairs, whether he thought Mr. Reagan could extract such assurances from the Pakistanis, Mr. Peck replied, "I doubt the president could, certainly not under the present circumstances."

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Paris Lawyer Admits Informing on Abdallah While He Was a Client

PARIS — A Paris lawyer acknowledged on television Friday that he was an informant for the French secret service from 1984 to 1986 and had relayed information on Georges Ibrahim Abdallah, who was a client.

Mr. Abdallah, a Lebanese Christian, was sentenced Saturday to life imprisonment on terrorism charges.

The admission by Jean-Paul Mazurier provoked immediate criticism of the government by Mr. Abdallah's current lawyer, who threatened legal action.

"I am not only a lawyer," Mr. Mazurier said. "I belong to the French special services."

"I'm very bitter because I betrayed not only Abdallah but I violated all the duties of my profession," said Mr. Mazurier, who operated under the code name Simon. "I violated professional secrets. I only did it for causes I thought just."

Mr. Mazurier's confession appears in a new book by a reporter from the leftist Paris daily newspaper, Liberation.

Mr. Abdallah, 35, was sentenced by a special court that found him guilty of complicity in the 1982 assassinations of American and Israeli diplomats in Paris, and the 1984 attempted killing in Strasbourg of the U.S. consul.

Mr. Mazurier became Mr. Abdallah's attorney when Mr. Abdallah was charged in October 1984. He said he had passed along to intelligence officials what Mr. Abdallah told him in the confidence of a lawyer-client relationship.

Mr. Abdallah turned himself in to the police in Lyon at that time,

saying he feared he was about to be killed by Israeli or U.S. agents. He was sentenced to four years in prison on charges of possessing weapons, explosives and false passports, as well as association with criminals.

But Mr. Mazurier said he first came to know Mr. Abdallah in June 1982 when Mr. Abdallah asked him to distribute a claim of responsibility for an attack in Paris on behalf of the Lebanese Armed Revolutionary Front. Mr. Abdallah has been called the group's leader.

Two months later, two French police officers were killed when a bomb they were trying to defuse exploded on a Paris street. Although the revolutionary group said it had made the attack, Mr. Mazurier said he did not distribute the claim.

"I'm not accusing Abdallah of being responsible for that terrorist attack, but for me that was the decisive element," Mr. Mazurier said.

Because of his contacts in extreme leftist circles, Mr. Mazurier said, an official of the French counterintelligence agency asked him in August 1984 if he would act as an informant. Shocked by the 1982 attack, he agreed and thus became an agent known as Simon.

Mr. Mazurier said Mr. Abdallah told him that his friends would "pass into action" to seek his freedom if he was not given a light sentence on charges of possessing arms and explosives in July 1986.

Mr. Abdallah received a four-year term at the time and his supporters began a campaign to seek his freedom. A series of bomb attacks from December 1985 to Sep-



Jean-Paul Mazurier, a Paris lawyer, on television Friday.

tember 1986 killed 13 persons and wounded more than 250.

Paris holds 3 Lebanese

Julian Nundy of the International Herald Tribune reported.

The French police are holding three Lebanese suspected of hiding arms and explosives cache in Paris, investigators said Friday. The suspects were among seven persons originally detained by security agents.

One official, at the recently created 14th Section of the Public Prosecutor's Office, which coordinates investigations into terrorist cases, said that charges against the three were expected to be brought Saturday.

Officers of the Counterintelligence and Internal Security Agency seized the cache as the Paris police maintained heavy security a week

after Mr. Abdallah was sentenced. Various groups had threatened violent reprisals if Mr. Abdallah was not released.

Officials said they had not established any direct link between the arms cache, discovered in the 16th arrondissement on Wednesday, and the Abdallah case.

But "as all the terrorists in the world give each other a helping hand, we can never dismiss that possibility," one said.

The Interior Ministry said that the cache contained 35 pounds (15 kilograms) of explosives, two automatic pistols and an ordinary pistol.

Radio reports said that the explosives were of the same type as those found in 1985 in a Paris apartment once occupied by Mr. Abdallah.

TOWER: Appeal Reported

(Continued from Page 1)

two explanations. Mr. Tower, a former Republican Texas senator, rejected that proposal, suggesting that if the president had more to say he could appear before the panel for a third meeting, according to sources close to the board.

The White House rejected that idea. Instead, Mr. Ashby brought a handwritten letter from Mr. Reagan saying, "I don't remember — period."

The letter was printed in the Tower report. A source close to the panel said that by that point the members were so skeptical that they wanted to see the letter written in Mr. Reagan's own hand to be sure he had actually drafted it.

A source who attended both of the Tower board's sessions with Mr. Reagan said Thursday that "it didn't matter to the president when he had given approval because there was no question he had approved" the 1985 Israeli shipments.

The matter has become extremely important, however, to Mr. McFarlane and Mr. Regan.

Under oath before congressional committees, Mr. McFarlane has testified that the president gave approval before the first shipment. Mr. Regan has sworn that it only came after the president had learned that the arms had been delivered.

One or the other could face a perjury charge if it could be proved that he knowingly did not tell the truth.

In his first appearance before the Tower board on Jan. 26, Mr. Reagan "patted a copy of Bud's testimony to the Senate Foreign Relations Committee and called it 'an honest account and I used it a lot,'" according to one source who was present. "Bud" is Mr. McFarlane's nickname.

In their immediate review of the president's statements, then, the Tower board members and staff members agreed that Mr. Reagan had adopted Mr. McFarlane's story and that the matter of initial authorization had been settled.

Sixteen days later, in his second session before the panel on Feb. 11, Mr. Reagan gave a different story.

Before answering a question from Mr. Tower on the total number of weapons in the first shipment, Mr. Reagan volunteered that he had "goaded" in his first appearance.

He then used Mr. Wallison's side-memo to tell the panel that he and Mr. Regan had gone over the matter. Based on the chief of staff's recollection, the president said he could not recall authorizing the shipment in August as he had said previously.



Briton Convicted in Malaysia

Derrick Gregory, a Briton, arriving in court in Penang, Malaysia, where he was convicted Friday of possessing six kilograms of heroin in 1982. Mr. Gregory, 37, was sentenced to death by hanging, but his lawyer plans to appeal the ruling.

BOFORS: Arms Executive Resigns

(Continued from Page 1)

if he continued to represent the company.

It gave no further details.

Mr. Ardbo later told Swedish radio it was "unsuitable" that he should continue to head a company that was under investigation.

But he denied his resignation could be taken as confirmation that Bofors was guilty of smuggling.

"Rather the opposite, I have said all along for three years that the company has not smuggled," he said.

Prosecutors are to finish soon a two-year inquiry into Bofors that was launched after smuggling accusations by the Swedish Peace and Arbitration Society.

The society sharpened its attack Friday on the munitions company, saying 10 percent of Bofors' exports of laser-controlled anti-aircraft missiles had been illegally exported.

Henrik Westander, a researcher for the society, said that of the 5,400 BRS-70 anti-aircraft missiles sold abroad since 1979, 504 had ended up in states to which arms exports were forbidden.

A further 683 were sold to Singapore, and then they were re-routed to war-torn countries in the Third World, Mr. Westander said.

The independent London-based Institute for Strategic Studies and two influential military publications, Jane's Defence Weekly and Military Balance, have all said Swedish arms were being used by Iran in its war with Iraq.

The Swedish prime minister, Ingvar Carlsson, has denied any knowledge of illegal arms trade with Iran on behalf of both his and previous administrations.

ARMS:

April Talks Set

(Continued from Page 1)

regic Defense Initiative program to develop space-based defenses.

"There are dozens of points of view but there is no one single policy," he said. "In reality, discussions are going on among the Americans themselves."

The minister said that an accord on intermediate missiles could provide "an impetus toward solving other problems" in East-West relations.

Some SDI Tests Possible

Members of a congressional delegation that observed the U.S.-Soviet arms negotiations in Geneva last weekend said that Moscow had indicated a willingness to discuss testing elements of the administration's Strategic Defense Initiative outside the laboratory. The Los Angeles Times reported from Washington.

As evidence, Senators Arlen Specter, Republican of Pennsylvania, Robert C. Byrd, Democrat of West Virginia, and Richard G. Lugar, Republican of Indiana, noted that Mr. Gorbachev said earlier this week that "the conclusion" of an agreement governing space weaponry "should be accompanied by a decision on the prevention of deployment of weapons in outer space."

Mr. Gorbachev omitted the word "development," which he usually uses with "deployment," an omission that is viewed by some experts as deliberate.

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DAVID: Possible Model

(Continued from Page 1)

lived it to be a copy of the David. Mr. De Bry could not immediately be reached.

Mr. Hart said that he had first learned of the model from photographs brought to his home in Virginia by a representative of the De Bry Foundation, and that his first intuition of its authenticity came from those photographs.

That intuition, he said, was strengthened by his examination of the model in Geneva over three days last June.

But the ultimate proof, Mr. Hart said, would lie in whatever historical documents and scientific proof he could muster, as well as in stylistic comparisons with Michelangelo's other works and the David itself.

To gather information, Mr. Hart turned to a historian in Florence, Carol Bradley, who examined the archives of the Palazzo Vecchio.

NUCLEAR: U.S. Congress Urged Not to Impair Aid Program to Pakistan

(Continued from Page 1)

of growing evidence that Pakistan has reached the nuclear threshold and is now producing weapons-grade enriched uranium.

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AMEX Stock Index		
High	Low	Close
329.46	327.83	329.52

Wall Street and do not reflect late trades elsewhere.

[illegible]

DATE	TIME	FROM	TO	FLY	FARE	TAXES	TOTAL
10/10/78	11:15	NEW YORK	NEWARK	1	10.00	1.00	11.00
10/11/78	11:15	NEWARK	NEW YORK	1	10.00	1.00	11.00
10/12/78	11:15	NEW YORK	NEWARK	1	10.00	1.00	11.00
10/13/78	11:15	NEWARK	NEW YORK	1	10.00	1.00	11.00
10/14/78	11:15	NEW YORK	NEWARK	1	10.00	1.00	11.00
10/15/78	11:15	NEWARK	NEW YORK	1	10.00	1.00	11.00
10/16/78	11:15	NEW YORK	NEWARK	1	10.00	1.00	11.00
10/17/78	11:15	NEWARK	NEW YORK	1	10.00	1.00	11.00
10/18/78	11:15	NEW YORK	NEWARK	1	10.00	1.00	11.00
10/19/78	11:15	NEWARK	NEW YORK	1	10.00	1.00	11.00
10/20/78	11:15	NEW YORK	NEWARK	1	10.00	1.00	11.00
10/21/78	11:15	NEWARK	NEW YORK	1	10.00	1.00	11.00
10/22/78	11:15	NEW YORK	NEWARK	1	10.00	1.00	11.00
10/23/78	11:15	NEWARK	NEW YORK	1	10.00	1.00	11.00
10/24/78	11:15	NEW YORK	NEWARK	1	10.00	1.00	11.00
10/25/78	11:15	NEWARK	NEW YORK	1	10.00	1.00	11.00
10/26/78	11:15	NEW YORK	NEWARK	1	10.00	1.00	11.00
10/27/78	11:15	NEWARK	NEW YORK	1	10.00	1.00	11.00
10/28/78	11:15	NEW YORK	NEWARK	1	10.00	1.00	11.00
10/29/78	11:15	NEWARK	NEW YORK	1	10.00	1.00	11.00
10/30/78	11:15	NEW YORK	NEWARK	1	10.00	1.00	11.00
10/31/78	11:15	NEWARK	NEW YORK	1	10.00	1.00	11.00

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Inter-

Sony Radio



DÜSSELDORF: The German Fashion Capital

Strolling along Düsseldorf's "Königsallee," one of Europe's most elegant and exclusive shopping avenues, is like attending a never-ending fashion show. Seated at one of the many cafés, one sees some of the best-dressed women in the world walk by. On the other side of this chestnut-tree lined shopper's paradise, one also notices all the biggest institutions in international finance and banking.

Situated on the lower Rhine, at the edge of the Ruhr's industrial valley, Düsseldorf has long been an important participant in world trade and ranks third among European cities as a main center of administration offices for multinational companies. Of 3,000 firms with branches here, 350 are from the United States. Today the town of Düsseldorf has also become a highly respected cultural center and an international fashion landmark. Though there are only 650,000 in-

habitants in the town itself, the surrounding cities tally a strong 27 million.

The inner secret of this young metropolis of fashion lies in its history. Its name stems from a former fishermen's village (in German: das Dorf) and has blossomed into a thriving city.

Fashion has always been an intrinsic part of the scene. In the past, the Dukes and Electors in the royal residence town of Düsseldorf were blood-related and politically involved with the Dukes of Burgundy and the Kings of France. As was most of Europe, they were also keenly interested by the newly discovered esthetic splendors of Italy. From Burgundy and France came the fabulous materials immortalized in Hans Holbein's numerous portraits of the aristocracy, whereas many a deft tailor was brought in from Italy to design elaborate costumes for the court nobles.

One of the early high points in Düsseldorf fashion took place during the splendid wedding of Jakob von Baden, Duchess of the City, who, strongly inspired by the fashion of the Spanish Court, always wore black dresses. After the Thirty Years War, around the 1650s, the ladies of Düsseldorf inaugurated the *decoupage*, uncovering lots of bodice, sprinkled with lace and flowers, generally in pastel colors, all directly inspired by the French fashion pamphlets.

Today, if one makes careful note of the names above the shops along the "Kö," as Düsseldorf's main shopping artery is affectionately called, many are still French and Italian. In the past decade, the business community has acquired another economic pillar to rely on the trade fairs. Figuring especially strong are the IGEDO women's fashion shows that bring buyers from around the world six times a

year and are considered high among the fashion world's trend-setting forces.

Created in the first half of the 19th century, with the Düsel River running down its center, the 812-meter-long, and 81.9-meter-wide "Königsallee" will soon celebrate its bicentennial anniversary. All the biggest international names in men and women's clothing boutiques, as well as textiles, porcelain and jewelers, can be found here and the elaborate window displays have nothing to envy those in Paris or Milan.

Henning Wagner, owner of the Herpich store in the "Kö-Center," who remembers the international clientele from the prewar days in Berlin, says that the many trade fairs and businesses taking place in Düsseldorf provide the city with customers throughout the year. "For the past two years now we have been concentrating on fashion at its



Düsseldorf is a city that respects its past while keeping a keen eye to the future. It's a city for people — manageable in size and boasting, well within the city limits, large, lovely open spaces of land.

Düsseldorf is also a seat of international business and a center for Germany's ever-emerging fashion industry. Starting tomorrow, the city's IGEDO Fashion Trade Fair will provide a world forum for German fashion.

most luxurious and most selective," adds Wagner.

The increasing demand for shop space is another recent novelty that has been met with the mushrooming of fashionable shopping galleries. Most recent is the newly built "Kö-Galleria," a long, modern three-story arcade with many ele-

gant stores. At the northern end of the "Kö" lies the Hofgarten, an irregularly shaped park with a wide array of trees, fountains and sculptures. The "Hofgarten" also offers many cultural attractions such as the North Rhine-Westphalia Art Collection, built around 88 of Paul Klee's works in the Château Jäger-

hof, a lodge dating from the 18th century.

History aficionados should definitely take the time to visit Castle Benrath, only a few minutes out of town by car or public transportation. Built in the second part of the 18th century, this bright pink palace comes as a refreshing surprise.

(Continued on Page III)

The Five-Billion-Dollar Secret

If you've wondered who's the mastermind behind the 500,000 auto bumper-stickers visible around Germany sporting the motto "fashion is my profession," then you probably should know more about IGEDO and its general manager, Manfred Kronen. Located in Düsseldorf, IGEDO organizes the biggest displays of women's outerwear fashion in the world. And starting today, when the IGEDO fair opens its doors, more than 2,500 exhibitors from 30 countries will congregate for five days in the 15 halls of the huge fairgrounds.

"People come to our fairs to buy," says Kronen, the driving force behind IGEDO. "Our business is a little like show business. We bring together buyers and manufacturers from all over the world, who do 60 percent of their buying here." According to market surveys, this represents sales of U.S.\$5 billion.

Only 24 exhibitors came to the first IGEDO fair in 1949. The following year, the number had increased to 300. Today at least 200,000 buyers come each year from 73 countries to attend the six yearly shows, confirming the worldwide importance of Düsseldorf as Germany's new fashion capital.

"The key to our success is organization," says Kronen, who began



Above: Manfred Kronen, Chairman, IGEDO International Fashion Trade Fair, Düsseldorf. Right: Fashions by Marc Cain, one exhibitor at the current IGEDO fair. Far right: Sweater from the Joop Intimwear collection.



his professional career as a lawyer and took over the direction of IGEDO from his father 20 years ago. He attributes to the legal profession his logical approach both at work and in life.

Kronen believes that the key to success is timing. "The right fashion

at the wrong time is the wrong fashion," says the 50-year-old entrepreneur, who is probably one of the most popular figures in Germany's fashion world. "We start planning a show five years in advance," he adds. "Some of our dates for 1992 are already set."

IGEDO, as a monopoly, is open to all applicants. With 15 halls and 160,000 square meters there is definitely enough room for everyone at the fairgrounds. Built in 1974 by the town of Düsseldorf, the new Exhibition Center has proven a haven of organization both for the

buyers and the exhibitors who use the rolling carpets to go from one hall to another.

A mere 15 minutes from the international airport, on the outskirts of the city itself, the fairgrounds provide numerous amenities. Several restaurants cater to

various tastes: "There is also a small supermarket, a hairdresser, a bank and even a sports center, complete with swimming pool."

IGEDO's marketing efforts are substantial. Besides organizing seminars, IGEDO publishes fashion supplements for German newspapers, covering the latest facts and trends in the fashion market. And their "profashion" newspaper, published in three languages, is mailed to 120,000 potential buyers around the world.

From his busy office in the Fashion House, located very close to the fairgrounds, Manfred Kronen has taken on the challenge of making

German fashion as popular as its Italian and French counterparts.

"We have industry specialists out on the streets keeping their eyes out for new styles and predicting trends one and a half to two years in advance," says Kronen, who, incidentally, believes that his industry's real competition comes from electronics, entertainment and whatever other things people elect to do with their disposable incomes.

Most agree that the particular distinction and strength of the German fashion fairs is selling reasonably priced mid-range garments that are cheaper but of comparable quality with the designer clothes. Traditionally, productivity and reliability have been the enduring trademark of German manufacturers. But until recently German fashion has lacked a solid image. "It's almost impossible to make a good press photo of punctual delivery," quips Kronen. "But German fashion is acquiring more and more an identity of its own and is getting increased worldwide recognition."

Even though recent exchange rates have caused a temporary setback in the figures, 1986 exports still increased by 10.9 percent, placing

(Continued on Page IV)

Flamboyant Wunderkinds Style a Revolution



It's easy to believe 30-year-old Ursula Conzen's motto "less is more." The first impression one gets from this German fashion designer is one of understated understatement. And it's precisely this type of understatement that her international clientele appreciates in her products.

Conzen lets her fashion speak for itself. Like the designer, it is attractive, smart, stylish, unobtrusive and totally self-confident, featuring simple cuts in toned-down, earthy colors and top-quality materials.

Ursula Conzen grew up in Düsseldorf as the second-youngest daughter of a highly respected art

and antiques dealer — not exactly the kind of background from which she logically would launch a successful career as a fashion designer. "I was always fascinated by clothes," recalls Conzen. "As a child, however, I usually wore the clothes discarded by my older sisters. By the time I'd finished wearing them, they were worn out and my younger sister would get the new clothes."

In 1969, Conzen went to Florence and Perugia to study language and quickly was drawn to the thriving Italian fashion industry. She began working for Italian knitwear manufacturer Umberto Ginocchetti, and very soon found herself immersed in the world of fashion, totally fascinated and already bitten by the creativity bug.

Encouraged by Ginocchetti, she soon decided to launch her own collection. Being thorough as well as ambitious, however, Conzen chose to perfect her own skills first, spending three years back in Germany working free-lance for Jil Sander, the famous designer.

Backed by Ginocchetti, Conzen presented her first collection in 1983. "Less is more" has proven to be a program with potential. By the end of 1983, the Ursula Conzen company, featuring her collection



always find time to indulge in the pleasures of life."

High among these pleasures are trips to Positano, on the Amalfi coast, and skiing holidays in Saint-Moritz, as well as frequent golf tournaments, extensive reading and a keen interest in modern art. As so many young working women today, Ursula Conzen leads a double life that balances her career and her private life. "It's not always easy," she admits, "but it's nice to have both."

— Mary Deschamps

Hailed as one of Germany's fashion forerunners, multifaceted Wolfgang Joop is much more than a talented stylist. He's also an excellent interior decorator and a former journalist who teaches a fashion course at Berlin's Fine Arts Academy.

Tall, blond and handsome, Joop has been raking in the fashion awards since 1970 when he won three major prizes during his first designer contest. By 1981 he was presenting his own ready-to-wear women's collection, followed by a men's line four years later. In addition he designs a wide range of accessories and some jewelry.

"Fashion is a demanding mis-



has always been a combined inspiration between the past and the future. "Fashion is part of our roots and our culture. It has transpired through our history and artistic involvement," adds Joop, who also believes that today's woman should be dressed like a "real woman," with a strong personality.

"I really admire the way Mariene Dietrich was dressed in her films," adds Joop, who has designed seductive, feminine clothes for film actress Hanna Schygulla.

More than any of his contemporaries, Joop has a distinctive stamp. His tantalizing colors and themes are a perfect combination of drama and self-confidence.

Sold all over Europe and also to several big department stores in the United States such as Saks Fifth Avenue and Bergdorf-Goodman, Joop's clothes carry a rather steep price tag. With reason, however: they have that irresistible and unmistakable mix of haute couture quality conceived in a young way.

Wolfgang Joop's fashion shows are always the big event of the season. Last year, at Düsseldorf's 150th IGEDO presentation, security checks of all journalists and buyers created a certain amount of delay and annoyance. But as soon as the show started, all was forgotten.



As usual, the Joop show was new, exciting and very different.

For this month's presentation, the main theme of Joop's collection is "neo-Renaissance." His clothes will be presented by models during a formal sit-down dinner. After passing around the tables, the 20 models will each sit with the buyers at a seat specifically reserved for them at every table.

When in Düsseldorf, Joop always stays at the Park-Hotel and makes it a point to drop by the Tamaris Café, named after his favorite painter, Tamar de Lempicka.

— Mary Deschamps



Margaretha Ley has been fascinated with fashion since she was a child. Her dossier reads somewhat like a fairy tale: young Swedish girl studies with the designer to her country's Royal Court; is persuaded to enter the Miss Sweden contest — and wins; becomes a top fashion model in Paris, where she learns the fine points of design and production from the masters; joins one of Europe's most famous haute couture salons in Vienna; and, in 1979, with her husband, Wolfgang Ley, creates a highly successful line of women's clothing.

Fairy stories aside, Ley can attribute her success to lots of hard work and abundant energy. Besides guiding an international design team, she frequently travels worldwide, keeping up-to-date on the latest trends, seeking the best in fabrics and yarns for her collections, and making numerous personal appearances in stores around the globe.

Her company, ESCADA, features a competitively priced separates collection of clothing, accessories and shoes that are closely coordinated by color and design. The customer is encouraged to mix and match, creating a look that reflects her unique style. According to Ley, what unites ESCADA customers is their love of beautiful clothes and the desire to project their own personalities.

Beyond the product, however, ESCADA is a thriving, innovative business which has seen significant success and expansion through its embrace of technology and sound merchandising strategies.

Everything that carries the ESCADA label is designed and manufactured in West Germany. Attention to detail is emphasized at every step of the production process, ensuring the perfection of each finished product — correct colors, well-finished hems, seams and collars, buttons that won't pop off. From the first selection of the yarn for a sweater or fabric for a skirt, to the final hand pressing each garment receives before being placed on a hanger for shipment, quality control is key.

Greatly facilitating ESCADA's quality control, rapid expansion and worldwide recognition, has been the innovative use of technology. Working with computer experts, the Leys have devised and implemented ingenious methods to simplify and standardize nearly every step on the production path — from creative concept to shipping.

Among the many systems now in place is an automatic optical color positioning system which eliminates fabric waste by determining the optimal pattern layout for each design and textile.

Beyond product and technology, however, the Leys have turned their attention to presentation. "Creating the ESCADA concept with clothing and accessories was not enough," says Margaretha Ley. "I wanted to create a totally new lifestyle through fashion and communicate it to the women who are my customers. The only way to accomplish this was by developing our own system of store design."

Thus, Store Design GmbH was

born. Its sole function is to design all ESCADA departments and boutiques, down to the tiniest visual detail. Each element — walls to windows, display cases to door-knobs — is chosen to reflect the ESCADA image and to demonstrate the company's concern for fine quality and workmanship.

— Wendy Mallinson

Through transformations and incarnations, changes of name, of country and career, she remains triumphantly on top. This is Caren Pfeiffer, former model and gallery owner, and now a major force to be reckoned with in the widening world of German fashion.

Her brick mansion in Marienburg, outside Cologne, seems cool and light, an accurate reflection of its owner. Her aura of gentle calm and capability was hard-won, and she works to maintain it. "I'm rather temperamental by nature," she admits. "Impatient and sensitive. That's what people accuse me of sometimes, meaning, probably, that I'm too emotional. But after all, creativity consists mostly of sensitivity. And if you killed that, you'd kill me with it."

And how does she define creativity?

"Being able to think ahead," Pfeiffer responds. "Doing your own thing, making your own music. To complete the analogy, you ought to be able to recognize who the tune,

the design, is by. You have to maintain continuity, but at the same time always be trying something new."

Continues Pfeiffer, "I am a chameleon. I could slip into any role. Perhaps I would have been a good actress. But you can express yourself in many different ways."

She's had more chances than most to try out different roles, names and opportunities. Her first incarnation was as a girl called Katharina, growing up in Cologne with a strong, dynamic mother who sought success for her daughter. After high school and a few subsequent semesters studying art history came the first transformation: Katharina became top model Karina, a star in the era of Mary Quant and the Beatles.

Karina worked for the famed Ford model agency and then, in an abrupt turnaround, "I gave up modeling within a year." She returned to Germany shortly thereafter, accompanied by her husband and child, having married lawyer Horst Pfeiffer.

A short breathing space ensued, during which Pfeiffer channeled her energies into a different medium, running a Munich modern art gallery.

But the pull of fashion proved strong, this time from the creative side. Pfeiffer had no experience in a design studio, but she had, during her modeling days, paid her dues as a student at the Fashion Institute of Technology in New York.

In 1979 she presented her first



collection. The line met with swift success: in 1983, 1985 and 1987 Caren Pfeiffer received the "Fil d'or" international fashion prize in Monte Carlo.

Another fast rise to the top? While relishing her success, Pfeiffer has not lost sight of the downside of her profession. "One invests so much... time, soul, sleep, private life... The last few years have been quite difficult for German fashion designers. The pioneer years, so to speak, with the first big international successes."

Undeterred, Pfeiffer does her part as a spokesperson for her industry. She appears frequently at designer shows in Munich and Düsseldorf, on television and in the international press, discussing her field, her friendly competitors, and their common cause: promoting German fashion to the world.

— Wendy Mallinson

German Fashion Attracts a U.S. Audience

What do American fashion buyers think of when the European fashion scene is discussed? Paris, Milan and London constitute the traditional choices. Today, however, Düsseldorf is increasingly being added to the list of fashion centers American buyers must visit in order to remain at the forefront of international style.

For the American buyer, IGEDO offers several attractions, according to Dirk Meumann, president of New York-based Düsseldorf Trade Shows, Inc., the company that represents IGEDO in the U.S. In evaluating the fair's value to U.S. buyers, "there are actually two things you have to look at," Meumann says. "You look first at the international element of the fashion shows, which is of interest to buyers who want to go to one place and find all the lines from all the manufacturers from Italy, France, Spain and beyond: South America, Ireland and Israel."

However, for many Americans, he points out, it is the German presence that is of particular inter-

est at IGEDO. "For those buyers who are looking for the particular German lines, IGEDO offers everything from couture to ready-to-wear, sporty fashions, young fashions, even bridal wear and accessories."

It is this German "accent," as Meumann puts it, that his office stresses. "When our offices opened in New York in 1982, we started to promote Düsseldorf and IGEDO in a totally different way. We felt that the American audience would look to Düsseldorf as a German fashion place and expect German fashions. So our emphasis was to support the German fashion statements from Düsseldorf and not so much the international part of it."

"On the couture side," he recalls, "the question always was, 'Is there fashion in Germany?' Now it's become quite popular, and there are many people in the U.S. who are very familiar with Düsseldorf and go there at least once or twice every year."

According to Meumann, the

American buyer now recognizes IGEDO as one of the premiere centers for discovering new talent. "I think the IGEDO shows are one of the American buyers' best resources for finding new lines, interesting new lines that have a distinctive image. The German designers say something to the American buyer that other national fashions don't."

The "special statement" German designers make is of particular interest to American buyers because of similarities between German and American lifestyle attitudes. "German fashion is wearable fashion. It's still couture, but it's not extravagant in the sense that you can wear it only on very special occasions," Meumann points out. German fashion has attracted a loyal and growing American following because "it's done for women who are looking for something that's career fashion as well as sporty."

Meumann maintains he has seen significant changes in American recognition of the German industry in the last four or five years. "I think it will not take much longer in the U.S. for Düsseldorf to be considered a must stop on a fashion trip to Europe. If an American buyer goes to Paris or Milan and now takes a little detour to Düsseldorf, I think in the very near future, if not already, the attitude will be different. Everyone will have to go to Düsseldorf to stay ahead of what fashion is all about."

— Murty Alexander

The Texas Connection

Dallas Market Center executive VP Donna Knox decides whom and what to exhibit in the world's largest fashion showcase building, home to more than 2,000 permanent exhibitors. Personable and efficient, in her early thirties, Knox describes the job as that of marriage broker, on the wholesale level, between buyer and seller.

Two years ago, Knox was looking for "something to provide a different positioning from the store next door: America is in a sameness mode, with the same merchandise everywhere," she said. That's when she met her European counterpart in the form of Manfred Kronen, president of IGEDO.

It took only a few hours together in Düsseldorf before a partnership was formed. Says Knox: "Manfred Kronen was eager to export, but didn't have the tools in place." In short, he "seemed ready." The partnership is based, she says, "on our conviction that we'll both work hard to make this show work." Says Kronen about Knox: "She's fabulous. She decides immediately."

Düsseldorf now comes to Dallas twice a year. The original plan called for just one show, but the first, last October, produced so many requests from buyers to come back in the spring that a second has

worked hard to make the Dallas Apparel Mart (the fashion building of the Market Center complex) Dallas' brightest star. While it might be compared in purpose to New York's Seventh Avenue, its style is Texas deluxe: all doors open onto a central atrium large enough for two 747s, placed wing-tip to wing-tip; and 19 restaurants serve every whim.

Personally, Knox has lined 11.2 miles of corridor with a finely tuned combination of exhibitors, now at 98 percent occupancy. She explains that the mix of exhibitors, as well as their physical placement, are important considerations. "And you must always be creating and following trends: for example, so that when 'western' starts to re-emerge, you can be sure it's there, and that it's packaged so the buyers know it's there."

The Apparel Mart also hosts five trade fairs a year, at which time Knox organizes fashion shows three times daily in the Great Hall "to educate the buyers. It's a circus atmosphere, but people are doing business," says Knox. The Apparel Mart presents the Dallas Fashion Award, which last October went to Margaretha Ley for Outstanding Sportswear Designer.

On the subject of German fashion, says Knox, "Its number-one selling point is quality — helped by a reputation for prompt deliveries — and bolstered in the last five years by a new emphasis on fashion." She points out, however, that

"what Manfred has is not just German fashion. We wanted to see Italian, French, British and German — and he has all four showing in Düsseldorf."

Once the decision was made to go with Düsseldorf, Knox's work had just begun. To explain the identity of the Apparel Mart's 20,000 buyers, Knox developed special mailing lists for each fashion category. She also helped exhibitors develop marketing plans for the U.S., including advice on where to advertise, and specific aid in creating such related materials as videos.

Knox also gives "export seminars" to prospective exhibitors. "We spend an entire day telling them how to export to the U.S.," she explains. At one, for example, with 125 companies represented, she brought together a retailer, a banker, a sales representative, a marketing specialist, and a customs/freight agent. "Once you get the process down, exporting is not as difficult as it's perceived. The challenge is getting to U.S. customers, and then getting it through."

Finally, with 2,000 permanent exhibitors at the Apparel Mart, Knox encourages the Europeans to form individual relationships that can provide ongoing support. "To what does she owe success — both hers and Kronen's — in this field? "It's based on a simple formula: if you talk and listen to people, if you ask enough questions, you will get the answers."

— Mary Carpenter

Germany's Fashion Tycoon

From his spartan headquarters in Warrnscheid, Klaus Steilmann masterminds a multi-million-dollar fashion empire that is considered one of the market leaders among Western Europe's manufacturers of ladies' outerwear.

But don't try calling him on a Wednesday afternoon. Certain things are sacred. And as captain of the Warrnscheid football team, Steilmann takes his job seriously, just as seriously as he takes his leading position in the fashion industry.

Steilmann's career in fashion began in the fifties, when he worked as a buyer for the C & A stores. In 1958, he founded his own company, starting out with women's coats and jackets, then extending his lines to include sportswear. Historically, the time was right: the German business community was beginning to benefit from what has been called "the economic miracle."

When the tides turned and the clothing industry suffered from the economic recession of the sixties, Steilmann was one of the very few who sensed the need for resourceful design and technical flexibility. With half of the German textile companies going under and unemployment in the fashion industry

peaking at 53 percent, Steilmann's factory was still operating securely with a substantial turnover. His secret? Orders from buyers were not considered on a seasonal basis, but on a monthly one.

A down-to-earth marketing philosophy has also helped him to weather the tough times. The Steilmann motto has always been: "Never go for high prices. If possible, stay in the mid-to-lower price ranges."

Last year 21 million coats, dresses, skirts and blouses were produced by the Steilmann factories, and his turnover was U.S. \$649 million, nearly one-tenth of Germany's entire ladies' ready-to-wear turnover. The group, comprised of nine companies, is supplied by 34 factories, and has 82 designers. "Our designers improve the image of German fashion as a whole," says Steilmann, who is also ready to bring in talent from abroad. The most recent addition to the Steilmann force is French couture designer Jean-Claude de Luca, who represents a DM 2 million investment for the company.

As with most German fashion manufacturers, exports have seen a strong increase in recent years. The best clients are other European countries, which constitute 60 per-

cent of all exports, followed by Japan and Canada.

But even the soundest strategies can sometimes be hindered by negative outside factors. Having increased by 14 percent in 1985, the Steilmann company's overall turnover saw a drop in 1986, though by less than one percent. "The decline in the dollar and the pound have definitely put a damper on the export figures," sighs Steilmann. "We'll hardly make any profit this year in England."

In contrast with other German fashion brands, business with the United States has never really taken off for Steilmann. In 1986, Escada registered exports of \$30 million to the States; Bogner, \$10 million; and Boss, \$5.5 million. So far, however, Steilmann has only reached a state-side turnover of \$8 million. "But at least we haven't made any losses," quips the chain-smoking tycoon, who likes nothing more than to have a good haggle over a price.

Company plans include increased production in the spring. Assuming the continued strength of the European market, 1987 should be a good year for Klaus Steilmann.

— Mary Deschamps



The French Connection

"The big boom in fashion is definitely taking place in Germany," says French designer Jean-Claude de Luca, who has recently signed a licensing contract with the Steilmann company, based in Warrnscheid. "Today the same thing is happening in Germany that took place in Italy ten years ago," adds the cosmopolitan stylist.

Having spent most of his life designing women's couture lines in Paris and Milan, de Luca recently turned his interests toward Germany, feeling that it was the only country in which he could find a reliable industrial group to back his designs and promote his fashion ideas and concepts. "The problem with Italy," says de Luca, "is that the clothes are too expensive and, aside from a few big names, are very poorly distributed. In France there are no textile factories, and in the United States the markets are either too wide or too small."

"All the buyers and journalists I have met in the past two years have advised me to take a look at the German market. Having made several contracts with companies a year ago, I decided Klaus Steilmann was the one I really wanted to work with. I was very impressed with Steilmann, both on a personal level and on a professional one. His personality immediately appealed to me, and was a strong, decisive factor."

He continues, "When I called back after six months and went to see him, we spent five hours discussing my new concept of fashion. I call it 'creative distribution,' because it offers the customers haute-couture quality at ready-to-wear prices."

Though he travels frequently, de Luca has remained faithful to his Paris roots. After receiving his law degree in Italy 15 years ago, de Luca decided his real vocation was the world of fashion. Introduced to Hubert de Givenchy by illustrator René Gruau, he worked as the designer's assistant for two years. "It was hard work," recalls de Luca, "but it's really the only way to learn

the trade. From there I was able to launch my own collections both in France and Italy."

Today he designs from a studio located right off his spacious, newly located second-story apartment in Paris' seventh arrondissement, overlooking a quiet garden. "There is no doubt that Paris remains the fashion capital of the world," says de Luca, "but the frontiers between countries tend to disappear more and more, and the fashion centers seem to be changing. On a recent visit to Düsseldorf, I was really impressed by the vitality of the city and the elegance of the women walking along the streets. The Königsallee is definitely as glamorous as Milan's via Monte Napoleone or New York's Fifth Avenue, and I am looking forward to presenting my clothes there."

"My collections are designed for the international executive woman," continues de Luca. "Today's women lead the same life as men and their comfort is an essential factor. My fashion takes into consideration that women work in offices and do extensive traveling. But in order to confront her every-

day life, a woman also has to have a wardrobe touched with a sense of humor. She should never be outdated; nor should she be a fashion victim."

The Winter 1987-88 Jean-Claude de Luca collection presented at Düsseldorf's IGEDO, under the Steilmann patronage, will reflect these ideas, and more. Six day lines and two evening ones feature very simple, minimalist cuts as well as easy-to-wear evening fashions. Many de Luca suits have short, wide skirts and long coats. "Color coordination is very important," he says. "This is why I have created sweaters, skirts and pants as well as coats that can be mixed and matched."

"The IGEDO fair is a fantastic work instrument," adds de Luca, who admits to being not very keen on the concept of trade fairs in general. "But in Germany everything is so well-organized and so ideally suited for buyers that I really am looking forward to taking part in all the events planned here throughout the year."

— Mary Deschamps

Important IGEDO Information

IGEDO* offers an unmatched opportunity to view Europe's most complete, saleable fashion collections. Following are some facts about the fair:

Where it is. Düsseldorf Fairgrounds, Düsseldorf.

When it is. March 8 to 12, 1987.

What's showing. Collections of knitwear, coats, suits, blouses, skirts, pants, leather goods, accessories, millinery, lingerie, foundations, swimwear, and fashions for the home, in all price ranges.

Who's showing. Over 2,500 exhibitors include all major German designers and manufacturers as well as such world-renowned designers as Guy Laroche, Balenciaga, Pierre Balmain, Mariella Burani, Byblos, Cerruti, Adolfo Dominguez, Katherine Hamnett, Iceberg, Claude Montana, Thierry Mugler, Nina Ricci and Ralph Lauren.

Upcoming IGEDO fashion fairs for Spring/Summer '88 fashions: Collections Premieres, Aug. 2-4; IGEDO Internationale Modemesse, Sept. 6-10; IGEDO - Dessous, Sept. 6-9.

* For the curious, IGEDO stands for *Interessengemeinschaft für Damenoberbekleidung*.

Winter Outlook: Five Innovators Predict



Jürgen Felser has well-established design credentials, with both his own collections and the L'Esclap line. His new collection for fall/winter '87/'88 features very English styling: pleated skirts, muslin and cashmere.



Her unique and luxurious designs keep Ella Singh in the limelight. She designs for women with a strong sense of identity, those who have mastered the art of appearing in public. Says Singh, "I just love to make something beautiful for women who, like myself, would rather feast on caviar than pick at kippers."



Considered a star in the KAB (Club Avant-garde Berlin), Brigitte Haacke has built a reputation for experimenting with new and unusual materials. Her current line is very feminine, yet sophisticated.



Small and delicate are keywords for the collection of Laureen Moeck, who works in a small town in North Rhine-Westphalia and lives in Berlin. She prefers a "pure" look, with perfection in cut and rich, lush materials.



The My Style Collection, designed and created by Jean R. Vermuelen, is known for its line of elegant dresses and particular attention to fabrics. The first show is being held at IGEDO this month.

DÜSSELDORF (Continued From Page 1)



Berthold Castle, built in the reign of Carl Theodor in the 18th century.

amidst the heavier neoclassic architecture in the area. On foot or by boat, there are several other possible outings along the banks of the Rhine, especially during the warmer months of the year.

From the top of the 234.2-meter-high telecommunications tower one can enjoy a breathtaking view over the Altstadt, the Rhine and, if weather permits, as far as the Bergisch Land, Cologne Cathedral, Duisburg and all the way to the Netherlands.

In the Altstadt, (the old part of town), the visitor will find a well-balanced array of pubs, restaurants, boutiques and art galleries. The romantic cobblestone streets and pedestrian zones of the Old Town

provide the visitors with an ideal opportunity to plunge into Düsseldorf's historic center. The shops in that part of town have the advantage of being less expensive than on the "Kö," and many smaller avant-garde designers have chosen to set themselves up there.

While Düsseldorf has developed as an internationally renowned trade-fair and fashion center over the past ten years, the local burghers and the visitors have also changed, becoming more and more cosmopolitan and eclectic. Whether on the "Kö" or in the Altstadt, one frequently encounters prominent personalities from the world of finance, international jet-set, politics and the arts.

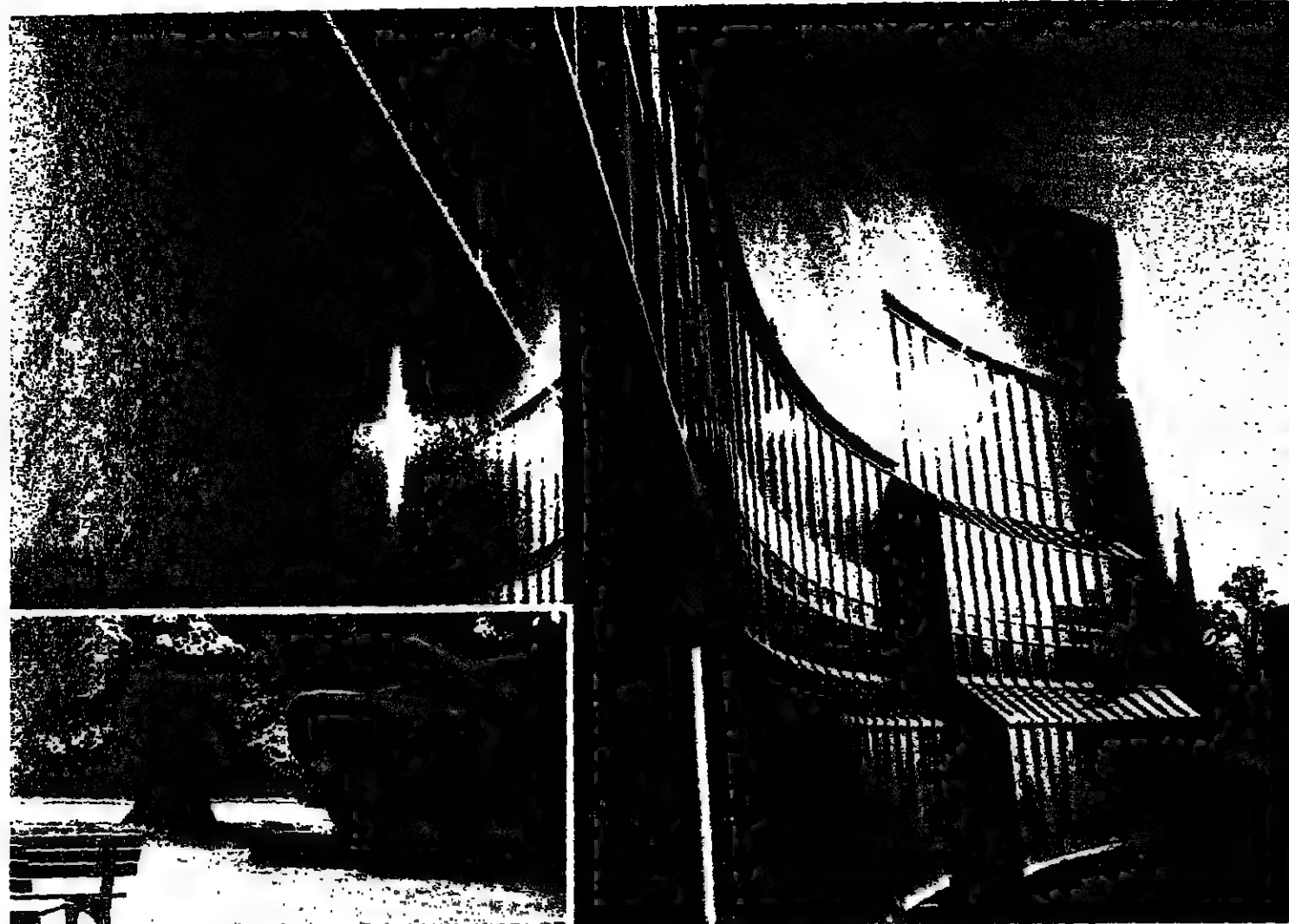
"In Germany we have no real



Nicknamed the "Kö," the Königsallee is a prime shopping promenade featuring a wide range of international boutiques, cafés and restaurants.

capital," says Manfred Kronen, director and organizer of the giant IGEDO fairs. "Berlin is now an island, Bonn is the seat of government, but not much else. In the absence of a real metropolis, I think it fully deserves its title as fashion metropolis."

— Mary Deschamps



Above: Düsseldorf's Kunsthalle features exhibitions of modern art such as the current Merz retrospective. Inset: Nearby, Henry Moore's "Reclining Figure" graces the city's Hofgarten (Court Gardens).

Arts Scene: High Style, High Culture

In February each year, the State Art Academy of Düsseldorf invites the city's art aficionados to tour the academy's classrooms, where the students display their best works. The venerable old building seems to overflow with new ideas, new materials and media.

It is typical of the Düsseldorf art scene that the old traditions repeatedly give birth to new ideas, that a move to new horizons is ventured. The city's past and present merge to create an atmosphere in which art — brave, confident, sometimes crazy and wild, then contemplative and secretly romantic — looks toward the future.

Düsseldorf's cultural scene also has much to offer. The many theaters range from small puppet theaters and the political cabaret "Kommando Theater" to the great opera house and the "Schauspielhaus." Here, too, the exciting present links up with great memories. Gustaf Gründgens was at the Schauspielhaus, first as a student and then as managing director. The composer Robert Schumann once headed the Düsseldorf Symphony Orchestra.

Perhaps most notably, the poet Heinrich Heine was born in Düsseldorf. Collections and exhibitions at the Heinrich Heine Institute,

one of the city's three literary museums, document his life and works. Then there's the theater museum, showcasing the history of the stage in the city, as well as the most important Goethe museum outside of Frankfurt and Weimar.

Goethe once visited Düsseldorf and was fascinated by the collection of paintings that Prince Elector Johann Wilhelm possessed. This collection became Düsseldorf's first museum; however, as the result of chaos caused by war inheritance, the collection, with its great works of Rubens, went to Munich, where it still belongs to the famous Pinakothek. Düsseldorf fought against

it, and the loss became a political problem. As compensation, the state gave the city money for the erection of a new exhibition building. This became the "Kunsthalle," a center for changing exhibitions of current art. At the moment, a Merz retrospective is on display there.

What remained from the Prince Elector's collection became the basis of the city's present Art Museum. Artists from the Academy and patrons from the business community helped to expand the collection. The Art Museum is renowned for its collection of works from the "Düsseldorf School" during the Art Academy's heyday in the 19th

century, but also for a glass collection unique in Europe. Representing the 20th century, particular emphasis is placed on the Düsseldorf "Zero" Group, including Mack, Pione and Uecker.

Newly housed in the center of the city, the Art Collection of the State of North Rhine-Westphalia is a repository of 20th century masterpiece paintings, among them works by Lichtenstein, Rauschenberg and Warhol. There are also little-known treats for the knowledgeable visitor, such as the only German ceramics museum and the maritime museum, in the old castle tower located on the Rhine. Finally, the City Museum offers a survey of Düsseldorf's history. The museum achieved international fame through its works in memory of the progressive art scene which flourished in the city during the 1920s and '30s, but was destroyed during the war years.

In addition to the "official" art scene, Düsseldorf has a rich "off" scene consisting of free cultural initiative groups, private art galleries, antique shops, and artisans' studios with their own exhibitions, all centered in a historic quarter south of the Old Town. From there, it is just a short walk to all of the great cultural centers, the "art mile" of Düsseldorf. Within this mile of culture, more and more private art galleries are opening up. The Old Town already boasts a selection of pubs and restaurants, and artists and other creative people in advertising and fashion design, filmmakers, actors and writers are everywhere. Düsseldorf truly is a multifaceted place for meeting and exchanging ideas.

— Werner Schwertner



Will Bogner, world-renowned sportswear designer, is the most recent addition to the Düsseldorf fashion scene. His luxurious new showrooms on the famed Königsallee are a prime forum for buyers from around the globe to see and order his new lines. And in the same building, the new Bogner specialty store stocks his complete sportswear collection.

Düsseldorf's Footwear Fair: A Shoe-In for Success



Twice a year, in the third weeks of March and September, 900 prominent shoe manufacturers from all parts of the world showcase their

latest collections at Düsseldorf's GDS International Footwear Fair.

The GDS is purely a shoe trade fair, and its strong international profile is unmatched by any competing event anywhere in the world. In Düsseldorf the visitor finds a broad spectrum of truly significant offerings, from suppliers experienced in exporting. In addition, domestic manufacturers always make a strong showing.

Why is the fair so popular? One reason is its timing: among the footwear fairs with worldwide, or at least international, significance, the GDS comes latest in the calendar. This means that the season's ongoing business discussions between important buyers prior to the GDS culminate at the collections presented there. Many of the season's discussions, indeed, are not "mature" until Düsseldorf.

GDS can attribute much of its

continued success to the desire on the part of international buyers to take into consideration the very latest fashion trends when placing their orders. This reflects a growing uncertainty that stems from a market in continual flux — the risk of errors in ordering, and thus of unwanted stock increases, is ever-present. Thus emerges the wish to get as close as possible to the season in question before ordering to reduce any risks to a minimum. This is possible only at the GDS. The same is true for exaggerated price demands, which typically have come down to a realistic level by the time of the GDS.

The concentration of competitive suppliers at the GDS also makes additional services possible. Anyone requiring fast supplementary deliveries of current items can find them in Düsseldorf, as evidenced by the growing sales figures for immediate transactions.

has seen a decided change in outside perceptions. In the last five years, a wave of good, new German designers has emerged and the world has taken notice.

IGEDO has taken a very encouraging and supportive stance toward these young designers, awarding an annual fashion-future prize to foster up-and-coming talents in the fashion world. Since September 1984, IGEDO has also organized the "Deutsche Designer Schauen Düsseldorf," a platform in which the avant-garde German fashion stylists can present their new ideas and concepts.

This broad outlook definitely is appreciated by those inside the industry as well as outside. For Kronen's 50th birthday party last year, 50 young Berlin designers sent him a string of 50 small toy bears, each one dressed in a different outfit designed by each designer.

"At IGEDO, our purpose goes way beyond just organizing fairs," says Kronen, who keeps a very close eye on the industry itself. "One of the big problems we have is the early markdowns in the stores. It diminishes overall profit. The customer is the key to success

and this is why we have six shows a year. It gives the buyers a chance to supply the stores with more novelties."

Manfred Kronen has many plans for the future, not the least of which is building a second Fashion House in Düsseldorf that will double its present capacity. When Düsseldorf Fashion House II is completed in 1988, buyers will have at their disposal a 50,000-square-meter building with a unique, year-round range of fashion, where they can buy directly from stock.

Four years ago, Kronen was also asked to participate as a consultant for the new exhibition center in Hong-Kong, also to be completed in 1988, and has made frequent trips there.

"Technology and logistics are the two areas where there is still a lot of money to be made," says Kronen. "But the most difficult thing in this industry is getting quick, accurate information. Why hasn't anyone thought of fashion data banks?"

— Mary Deschamps



J. Jansard

Düsseldorf Data: Where to Go, Where to Stay

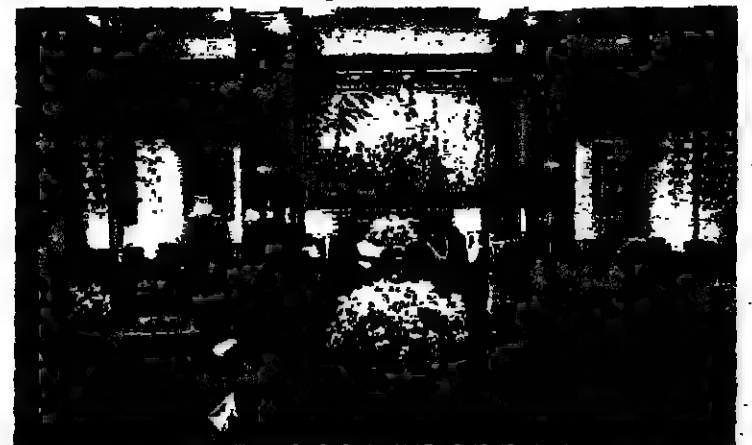
"During the IGEDO fairs, the entire town takes on a different rhythm. Its success is a fact that the fashion world cannot ignore any longer," says Marco Tormani, manager of the Breidenbacherhof Hotel, recognized as one of Europe's grand addresses. Located in the heart of Düsseldorf's business and shopping district, the 154-room hotel carries on a tradition of excellence and personalized hospitality begun more than 150 years ago.

"Whenever an important fair takes place, there is a huge waiting list and two-thirds of the rooms are booked months in advance," admits Tormani, who also organizes small high-class fashion shows in some of the carefully decorated salons. Tormani took over as hotel manager a year and a half ago when the Breidenbacherhof was brought back from the Linsemeyer family by Georg Rafael, formerly with the Regent group.

"Being in the hotel business is a little like being in the fashion business," says Rafael. "It gets into your blood."

Rafael has chosen Düsseldorf as the flagship for his new venture — the Rafael Hotel Group — because he finds "it is a marvelous and highly underrated city with enormous potential." He also believes it is one of the most fashionable shopping cities in Europe.

With 65,000 hotel beds available in Düsseldorf and its surroundings, the traveler can choose from many possibilities.



The lobby of Düsseldorf's Breidenbacherhof Hotel, one of Europe's grand addresses.

In addition to the lovely antiques on display and the white-glove service at the Breidenbacher Hof, there are several other luxury hotels in town, such as the Inter-Continental (called the Inter-Conti) and the Hilton International (Yankee amenities and very convenient to IGEDO and the fairgrounds), Hotel Nikko (operated by Japan Air Lines, a definite must if you like fresh flowers and can't live without sushi); the Steigenberger Parkhotel (European elegance in the Rhineland style). First-class hotels that are not too far from the IGEDO fairgrounds include the Arcade, the Glimmering Savoy, the Holiday Inn, the Rheinster Penta, the Ramada and Ramada Renaissance.

There are many smaller hotels around the fairgrounds, one of which is appropriately named the Fashion Hotel (practically opposite the Düsseldorf Fashion House).

Hotel Breidenbacher Hof; Heinrich-Heine-Allee 36; D-4000 Düsseldorf.

Hotel Inter-Continental; Karl-Arnold-Platz 5; D-4000 Düsseldorf.

Hotel Hilton International Düsseldorf; Georg-Glock-Str. 20; D-4000 Düsseldorf.

Hotel Nikko; Innenmarktstr. 41; D-4000 Düsseldorf.

Steigenberger Parkhotel; Corneliusplatz 1; D-4000 Düsseldorf.

Hotel Arcade; Ludwig-Erhard-Str. 2; D-4000 Düsseldorf.

Glimmering Savoy; Oststr. 128; D-4000 Düsseldorf.

Holiday Inn; Graf-Adolf-Platz 10; D-4000 Düsseldorf.

Hotel Ramada am Sestern; Sestern 16; D-4000 Düsseldorf.

Ramada Renaissance; Nördlicher Zubringer 6; D-4000 Düsseldorf.

Rheinster Penta Hotel; Emanuel-Lutke-Str. 17; D-4000 Düsseldorf.

If you plan on eating out during an IGEDO fair, it is best to make reservations because tables tend to fill up very quickly. Even IGEDO president Manfred Kronen has been known to be without a good table during one of his very own fairs.

Admirers of Japanese food will be happy to know that there is a very large nippon community in Düsseldorf, hence top-quality sushi bars and restaurants. There are many restaurants in the Old Town, where one can sample local specialties such as black pudding, cabbage with spare ribs, and knuckles of pork, served with the traditional Altbier. In addition to the standard German fare, there are also many restaurants with French and Italian cuisine. Here again, a number of possibilities with some brief comments.

In Düsseldorf proper:

Dai-Tokai; Mutter-Eye Strasse 1 (near Kommödchen) Tel.: 32.50.54.

An excellent Japanese restaurant; sushi and sashimi.

Edo; Am Sestern 3. Tel.: 59.10.82.

Distinguished Japanese cuisine and traditional hospitality.

Grill Royal; Breidenbacher Hof Hotel, Heinrich-Heine-Allee 36. Tel.: 85.01. Perhaps Düsseldorf's best and most expensive with haute German and haute international. For less expensive and simpler fare, try the Breidenbach Eck (Corner), also in the Hotel.

Orangerie; Biller Strasse 30. Tel.: 32.60.01.

Contender for first place among all the city's restaurants, this one's located in a charming old home.

Schiffchen; Hafenstrasse 5. Tel.: 32.71.76.

A local favorite in the Altstadt with an expansive menu and moderate prices.

Schlüssel; Bolkerstrasse 45-47. Tel.: 32.61.55.

Another Altstadt favorite with a robust menu and typical surroundings. A real bargain.

Uerige; Bergerstrasse 2. Tel.: 32.81.45.

A typical beer hall in the Altstadt which produces its own dark Altbier.

Zur Auster; Bergerstrasse 9. Tel.: 32.44.04.

One of the best fish houses in town. Tasteful decor.

China-Sichuan; Graf-Adolf-Platz 7-8. Tel.: 37.96.41.

Spicy Sichuan haute cuisine.

La Crème; Oberkasseler Strasse 100. Tel.: 57.56.72.

In the French Mediterranean tradition.

De Medici Ristorante; Amboßstrasse 3. Tel.: 59.41.51.

Wonderfully Italian.

Dampfnudel; Hohe Strasse 2. Tel.: 13.13.99.

In the Altstadt, this café/restaurant specializes in local steamed noodles.

Outside Düsseldorf:

Alte Rheinfaure; Fährweg 22. Düsseldorf-Kaiserswerth. Tel.: 40.11.34.

Traditional German cooking in the northern part of town, beyond the airport, in a lovely garden with a view of the Rhine.

Meuser; Alt-Niederkassel 32. Düsseldorf-Niederkassel. Tel.: 5.12.72.

A favorite Düsseldorf area restaurant with a heavy atmosphere.

\$5 BILLION SECRET (Continued From Page 1)



ESCADA

ing women's outerwear above the overall average for the industry.

With an annual turnover of over DM 11.3 billion and a 1.8 percent increase in last year's production,

West Germany has maintained a prominent position as an influential producer and seller of women's outerwear.

German styling, in particular,

DÜSSELDORF: The German Fashion Capital

Photos and illustrations, this section, courtesy of Udo Hootke, IGEDO, and the collections of the individual designers.

[illegible]

ments, "allows the liberation of new funds to permit us to increase spending programs."

Jamaica recently won a \$150 million loan from the International Monetary Fund to help pay down the country's global debt is estimated at \$1.5 billion.

EC Joblessness Totals 17.1 Million in January

The Associated Press

BRUSSELS — Unemployment in the European Community rose to a record 17.1 million in January, confirming a new deterioration in job market conditions, according to statistics office.

The biggest increases were in West Germany and Denmark. Only Belgium showed a reported Friday.

The number of registered unemployed in 12 member countries jumped by 500,000 to 17.1 million, topping 17 million for the first time, Eurostat said in its annual market report.

Joblessness as a percentage of the labor force climbed to 11.8 percent, the highest since it was first recorded established in January 1980, and up from 11.5 percent the month before.

Revenue and profits or losses, in millions, or currencies unless otherwise indicated		Year	
		1984	1985
		Net Inc.	Net Inc.
		Per Share	Per Share
		1984	1985
		Revenue	Revenue
		Profits	Profits
		Per Share	Per Share
		1984	1985
		Revenue	Revenue
		Profits	Profits
		Per Share	Per Share
		1984	1985
		Revenue	Revenue
		Profits	Profits
		Per Share	Per Share
		1984	1985
		Revenue	Revenue
		Profits	Profits
		Per Share	Per Share
		1984	1985
		Revenue	Revenue
		Profits	Profits
		Per Share	Per Share
		1984	1985
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		1984	1985
		Revenue	Revenue
		Profits	Profits
		Per Share	Per Share
		1984	1985
		Revenue	Revenue
		Profits	Profits
		Per Share	Per Share
		1984	1985
		Revenue	Revenue
		Profits	Profits

Asian Commodities									
March 6									
SINGAPORE GOLD FUTURES									
U.S. \$ per ounce									
Mar 1984		High		Low		Settle		Prev. Settle	
127.00	127.00	127.00	127.00	126.50	126.50	126.50	126.50	411.16	411.16
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Paris Commodities		March 6		March 6	
	High	Low	Close	Ask	Offer
COFFEE					
French francs per metric ton					
May	1,324	1,324	1,324	1,324	Unch.
July	1,344	1,336	1,346	1,347	+1
Nov	1,364	1,356	1,366	1,367	+1
May	1,374	1,366	1,376	1,376	+1
July	1,394	1,386	1,396	1,396	+1
Nov	1,414	1,406	1,416	1,416	+1
May	1,424	1,416	1,426	1,427	+1
July	1,444	1,436	1,446	1,447	+1
Nov	1,464	1,456	1,466	1,467	+1
May	1,474	1,466	1,476	1,477	+1
July	1,494	1,486	1,496	1,497	+1
Nov	1,514	1,506	1,516	1,517	+1
May	1,524	1,516	1,526	1,527	+1
July	1,544	1,536	1,546	1,547	+1
Nov	1,564	1,556	1,566	1,567	+1
May	1,574	1,566	1,576	1,577	+1
July	1,594	1,586	1,596	1,597	+1
Nov	1,614	1,606	1,616	1,617	+1
May	1,624	1,616	1,626	1,627	+1
July	1,644	1,636	1,646	1,647	+1
Nov	1,664	1,656	1,666	1,667	+1
May	1,674	1,666	1,676	1,677	+1
July	1,694	1,686	1,696	1,697	+1
Nov	1,714	1,706	1,716	1,717	+1
May	1,724	1,716	1,726	1,727	+1
July	1,744	1,736	1,746	1,747	+1
Nov	1,764	1,756	1,766	1,767	+1
May	1,774	1,766	1,776	1,777	+1
July	1,794	1,786	1,796	1,797	+1
Nov	1,814	1,806	1,816	1,817	+1
May	1,824	1,816	1,826	1,827	+1
July	1,844	1,836	1,846	1,847	+1
Nov	1,864	1,856	1,866	1,867	+1
May	1,874	1,866	1,876	1,877	+1
July	1,894	1,886	1,896	1,897	+1
Nov	1,914	1,906	1,916	1,917	+1
May	1,924	1,916	1,926	1,927	+1
July	1,944	1,936	1,946	1,947	+1
Nov	1,964	1,956	1,966	1,967	+1
May	1,974	1,966	1,976	1,977	+1
July	1,994	1,986	1,996	1,997	+1
Nov	2,014	2,006	2,016	2,017	+1
May	2,024	2,016	2,026	2,027	+1
July	2,044	2,036	2,046	2,047	+1
Nov	2,064	2,056	2,066	2,067	+1
May	2,074	2,066	2,076	2,077	+1
July	2,094	2,086	2,096	2,097	+1
Nov	2,114	2,106	2,116	2,117	+1
May	2,124	2,116	2,126	2,127	+1
July	2,144	2,136	2,146	2,147	+1
Nov	2,164	2,156	2,166	2,167	+1
May	2,174	2,166	2,176	2,177	+1
July	2,194	2,186	2,196	2,197	+1
Nov	2,214	2,206	2,216	2,217	+1
May	2,224	2,216	2,226	2,227	+1
July	2,244	2,236	2,246	2,247	+1
Nov	2,264	2,256	2,266	2,267	+1
May	2,274	2,266	2,276	2,277	+1
July	2,294	2,286	2,296	2,297	+1
Nov	2,314	2,306	2,316	2,317	+1
May	2,324	2,316	2,326	2,327	+1
July	2,344	2,336	2,346	2,347	+1
Nov	2,364	2,356	2,366	2,367	+1
May	2,374	2,366	2,376	2,377	+1
July	2,394	2,386	2,396	2,397	+1
Nov	2,414	2,406	2,416	2,417	+1
May	2,424	2,416	2,426	2,427	+1
July	2,444	2,436	2,446	2,447	+1
Nov	2,464	2,456	2,466	2,467	+1
May	2,474	2,466	2,476	2,477	+1
July	2,494	2,486	2,496	2,497	+1
Nov	2,514	2,506	2,516	2,517	+1
May	2,524	2,516	2,526	2,527	+1
July	2,544	2,536	2,546	2,547	+1
Nov	2,564	2,556	2,566	2,567	+1
May	2,574	2,566	2,576	2,577	+1
July	2,594	2,586	2,596	2,597	+1
Nov	2,614	2,606	2,616	2,617	+1
May	2,624	2,616	2,626	2,627	+1
July	2,644	2,636	2,646	2,647	+1
Nov	2,664	2,656	2,666	2,667	+1
May	2,674	2,666	2,676	2,677	+1
July	2,694	2,686	2,696	2,697	+1
Nov	2,714	2,706	2,716	2,717	+1
May	2,724	2,716	2,726	2,727	+1
July	2,744	2,736	2,746	2,747	+1
Nov	2,764	2,756	2,766	2,767	+1
May	2,774	2,766	2,776	2,777	+1
July	2,794	2,786	2,796	2,797	+1
Nov	2,814	2,806	2,816	2,817	+1
May	2,824	2,816	2,826	2,827	+1
July	2,844	2,836	2,846	2,847	+1
Nov	2,864	2,856	2,866	2,867	+1
May	2,874	2,866	2,876	2,877	+1
July	2,894	2,886	2,896	2,897	+1
Nov	2,914	2,906	2,916	2,917	+1
May	2,924	2,916	2,926	2,927	+1
July	2,944	2,936	2,946	2,947	+1
Nov	2,964	2,956	2,966	2,967	+1
May	2,974	2,966	2,976	2,977	+1
July	2,994	2,986	2,996	2,997	+1
Nov	3,014	3,006	3,016	3,017	+1
May	3,024	3,016	3,026	3,027	+1
July	3,044	3,036	3,046	3,047	+1
Nov	3,064	3,056	3,066	3,067	+1
May	3,074	3,066	3,076	3,077	+1
July	3,094	3,086	3,096	3,097	+1
Nov	3,114	3,106	3,116	3,117	+1
May	3,124	3,116	3,126	3,127	+1
July	3,144	3,136	3,146	3,147	+1
Nov	3,164	3,156	3,166	3,167	+1
May	3,174	3,166	3,176	3,177	+1
July	3,194	3,186	3,196	3,197	+1
Nov	3,214	3,206	3,216	3,217	+1
May	3,224	3,216	3,226	3,227	+1
July	3,244	3,236	3,246	3,247	+1
Nov	3,264	3,256	3,266	3,267	+1
May	3,274	3,266	3,276	3,277	+1
July	3,294	3,286	3,296	3,297	+1
Nov	3,314	3,306	3,316	3,317	+1
May	3,324	3,316	3,326	3,327	+1
July	3,344	3,336	3,346	3,347	+1
Nov	3,364	3,356	3,366	3,367	+1
May	3,374	3,366	3,376	3,377	+1
July	3,394	3,386	3,396	3,397	+1
Nov	3,414	3,406	3,416	3,417	+1
May	3,424	3,416	3,426	3,427	+1
July	3,444	3,436	3,446	3,447	+1
Nov	3,464	3,456	3,466	3,467	+1
May	3,474	3,466	3,476	3,477	+1
July	3,494	3,486	3,496	3,497	+1
Nov	3,514	3,506	3,516	3,517	+1
May	3,524	3,516	3,526	3,527	+1
July	3,544	3,536	3,546	3,547	+1
Nov	3,564	3,556	3,566	3,567	+1
May	3,574	3,566	3,576	3,577	+1
July	3,594	3,586	3,596	3,597	+1
Nov	3,614	3,606	3,616	3,617	+1
May	3,624	3,616	3,626	3,627	+1
July	3,644	3,636	3,646	3,647	+1
Nov	3,664	3,656	3,666	3,667	+1
May	3,674	3,666	3,676	3,677	+1
July	3,694	3,686	3,696	3,697	+1
Nov	3,714	3,706	3,716	3,717	+1
May	3,724	3,716	3,726	3,727	+1
July	3,744	3,736	3,746	3,747	+1
Nov	3,764	3,756	3,766	3,767	+1
May	3,774	3,766	3,776	3,777	+1
July	3,794	3,786	3,796	3,797	+1
Nov	3,814	3,806	3,816	3,817	+1
May	3,824	3,816	3,826	3,827	+1
July	3,844	3,836	3,846	3,847	+1
Nov	3,864	3,856	3,866	3,867	+1
May	3,874	3,866	3,876	3,877	+1
July	3,894	3,886	3,896	3,897	+1
Nov	3,914	3,906	3,916	3,917	+1
May	3,924	3,916	3,926	3,927	+1
July	3,944	3,936	3,946	3,947	+1
Nov	3,964	3,956	3,966	3,967	+1
May	3,974	3,966	3,976	3,977	+1
July	3,994	3,986	3,996	3,997	+1
Nov	4,014	4,006	4,016	4,017	+1
May	4,024	4,016	4,026	4,027	+1
July	4,044	4,036	4,046	4,047	+1
Nov	4,064	4,056	4,066	4,067	+1
May	4,074	4,066	4,076	4,077	+1
July	4,094	4,086	4,096	4,097	+1
Nov	4,114	4,106	4,116	4,117	+1
May	4,124	4,116	4,126	4,127	+1
July	4,144	4,136	4,146	4,147	+1
Nov	4,164	4,156	4,166	4,167	+1
May	4,174	4,166	4,176	4,177	+1
July	4,194	4,186	4,196	4,197	+1
Nov	4,214	4,206	4,216	4,217	+1
May	4,224	4,216	4,226	4,227	+1
July	4,244	4,236	4,246	4,247	+1
Nov	4,264	4,256	4,266	4,267	+1
May	4,274	4,266	4,276	4,277	+1
July	4,294	4,286	4,296	4,297	+1
Nov	4,314	4,306	4,316	4,317	+1
May	4,324	4,316	4,326	4,327	+1
July	4,344	4,336	4,346	4,347	+1
Nov	4,364	4,356	4,366	4,367	+1
May	4,374	4,366	4,376	4,377	+1
July	4,394	4,386	4,396	4,397	+1
Nov	4,414	4,406	4,416	4,417	+1
May	4,424	4,416	4,426	4,427	+1
July	4,444	4,436	4,446	4,447	+1
Nov	4,464	4,456	4,466	4,467	+1
May	4,474	4,466	4,476	4,477	+1
July	4,494	4,486	4,496	4,497	+1
Nov	4,514	4,506	4,516	4,517	+1
May	4,524	4,516	4,526	4,527	+1
July	4,544	4,536	4,546	4,547	+1
Nov	4,564	4,556	4,566	4,567	+1
May	4,574	4,566	4,576	4,577	+1
July	4,594	4,586	4,596	4,597	+1
Nov	4,614	4,606	4,616	4,617	+1
May	4,624	4,616	4,626	4,627	+1
July	4,644	4,636	4,646	4,647	+1
Nov	4,664	4,656	4,666	4,667	+1
May	4,674	4,666	4,676	4,677	+1
July	4,694	4,686	4,696	4,697	+1
Nov	4,714	4,706	4,716	4,717	+1
May	4,724	4,716	4,726	4,727	+1
July	4,744	4,736	4,746	4,747	+1
Nov	4,764	4,756	4,766	4,767	+1
May	4,774	4,766	4,776	4,777	+1
July	4,794	4,786	4,796	4,797	+1
Nov	4,814	4,806	4,816	4,817	+1
May	4,824	4,816	4,826	4,827	+1
July	4,844	4,836	4,846	4,847	+1
Nov	4,864	4,856	4,866	4,867	+1
May	4,874	4,866	4,876	4,877	+1
July	4,894	4,886	4,896	4,897	+1
Nov	4,914	4,906	4,916	4,917	+1
May	4,924	4,916	4,926	4,927	+1
July	4,944	4,936	4,946	4,947	+1
Nov	4,964	4,956	4,966	4,967	+1
May					

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BUSINESS ROUNDUP

Moët Acts to Foil Possible Takeover

By Jacques Neher

International Herald Tribune

PARIS — Moët-Hennessy said Friday that it is taking steps to block a possible bid to acquire the big French champagne and cognac company.

The company, which markets Moët & Chandon, Dom Perignon and Mercier champagnes, as well as Hennessy cognac and Christian Dior perfume, said it is seeking to organize a minority blocking stake. In France, a company can foil a takeover bid if 33 percent of its shares vote against it.

Moët said it is taking the steps after watching its shares soar 18 percent over the past few weeks.

Stock analysts said Moët's plan should be fairly easy, as the Moët families already own 24.8 percent of the shares outstanding. The company would only need pledges of support from institutions holding less than 9 percent of the shares to reach the 33 percent threshold.

"Moët has many friends" in the institutional community, said Joëlle Lahon, an analyst with the Paris-based Puget brokerage house.

"It's a great French stock, one that everyone loves."

The company noted that the price of its shares has risen almost 18 percent since mid-February when the stock was trading at about 2,278 francs (\$373). Moët shares closed Friday at 2,678 francs, up 38 francs from Thursday.

Jean-Marc Blane, who covers the company for Jean-Pierre Pinatton, a stockbroker in Paris, said he believed that a foreign group of investors had already accumulated 4 percent to 7 percent of Moët's shares.

Puget's Miss Lahon said she was convinced that some group has been buying Moët shares in recent weeks, "but I'm not sure it's a foreigner. Maybe it's a French group."

"While not as dangerous as AIDS, paranoia is just as widespread in France," said Adrian Phillips, an analyst with Kleinwort Grieverson in London. The defense measure, he said, "keeps them nothing while it allows them to sleep easier at night."

Mr. Phillips said the stock's activity can be attributed in part to

the market's expectation of a good earnings report.

The company announced Thursday that its 1986 rose 18 percent to \$20 million francs, while sales rose nearly 5 percent to 8.05 billion francs. Pretax earnings climbed 17 percent in the champagne and wine sector, 2 percent in the cognac business and 8 percent in perfumes and cosmetics.

Mr. Phillips said these results "were considerably better" than he had expected.

Roger Hornett, a partner in the London-based brokerage James Capel & Co., said the stock's recent activity also could be traced to the resolution late last January of the grain trade dispute between the United States and the European Community.

Moët, he said, would have suffered an 18 percent decline in pretax earnings if the dispute had not been settled. The United States had threatened to impose a 200 percent import tax on French cognac to retaliate for lost grain sales, a move that would have severely hurt the company's cognac sales in the United States.

Canadian Named To Head GM's Locomotive Unit

The Associated Press

DETROIT — The appointment of a Canadian executive to head General Motors Corp.'s Electro-Motive division has spurred speculation that GM may follow a consultant's advice and move locomotive operations to Canada.

A. Grant Warner, 59, has been named to succeed Peter K. Hoglund, 60, as general manager of the locomotive division in La Grange, Illinois, on April 1.

Mr. Warner, a Toronto native, is general manufacturing manager for GM of Canada Ltd. Mr. Hoglund has headed the locomotive division since 1974.

A consultant has recommended that GM move all locomotive assembly work to Canada, a shift that could displace more than 4,000 workers. Nam-

In Soviet, 'To Each Cow According to Her Output'

By William J. Eason

Los Angeles Times Service

PODOLSK, U.S.S.R. — An American company has installed the latest high-tech equipment on a state dairy farm here in hopes of helping the Soviet Union get more milk from each of its 40 million cows.

Instead of wearing bells around their necks, the 400 cows taking part in the experiment wear transponders, or electronic identification tags, that are numbered from one to 400.

This enables a desktop computer to keep track of the amount of milk that each cow gives daily, to measure out fodder accordingly and to record when and how much the animal eats.

So far, only 2,000 farms in the United States have installed such elaborate systems, according to American experts. The computerized milking parlors in the Soviet Union, which is the largest milk-producing nation in the world.

The American computer-based system will be matched against a new and similar Soviet design starting next summer in a trial run that could lead to a business partnership.

If it works out, Babson Brothers of Oak Brook, Illinois, and Goskoinagroprom, the Soviet super-ministry for agro-industrial enterprises, will produce computerized dairy equipment for the Soviet and world markets.

Nicholas C. Babson, president of the Illinois company that bears his family name, said the system's big advantage is that it conserves feed, which accounts for half the cost of running a dairy farm.

"This system allows a farm manager to stop overfeeding low-producing cows and underfeeding high



A dairy farm near Moscow that keeps 2,000 cattle, 800 of them for milk production.

producers," he said in an interview at the Moscow offices of Ipatco, a Swiss-based company specializing in advanced technology. Ipatco formed a joint venture with Babson Brothers for this program.

On the experimental Shchapov state farm near Podolsk, about 30 miles (48 kilometers) south of Moscow, the American side of the electronic dairy farm has been in operation since mid-December.

Mural M. Boynovich, the farm director, described the new equipment and its Soviet counterpart milking area to a visitor.

"It's a principle of capitalism: If you produce more, you eat more," Mr. Boynovich said with a wink. A cow receives 10.5 ounces (300 grams) of food concentrate for each quart (liter) of milk she gives, he said.

This is possible because the cow's milk production is recorded automatically in the dairy's computer. When a cow steps up to a feeding station, Mr. Boynovich said, its electronic tag sends an "order" for its allocation of feed. As the cow consumes the food, that information also would be sent to the computer's memory.

Operators also can enter breeding data, such as whether a cow is pregnant, when its next calf is due and other statistical information. If the computer shows that a cow has not eaten anything for 24 hours, the veterinarian can be alerted to give that cow a checkup.

The computer also has wrought changes in dairy feeding times. A daily allotment must be consumed throughout the day, during each of eight three-hour meal periods.

Another device measures the flow of milk and disconnects milk machines when output drops below 250 cubic centimeters a minute, Mr. Babson said, explaining, "The cow's milked out at this point."

One major advantage of the computerized dairy is a reduction in labor force. A single worker can oversee the automated machinery, in contrast with the dozen or more workers needed for noncomputerized dairy farms.

The American equipment would cost about \$30,000 to install on a dairy farm with 100 to 200 cows, Mr. Babson said.

An institute in Riga, Latvia, is designing the Soviet computer-based system, which will be tested and compared with the U.S. machinery under the same roof.

Perelman Considers Taking Revlon Group Private

The Associated Press

NEW YORK — Revlon Group Inc.'s biggest stockholder, MacAndrews & Forbes Holdings Inc., said Friday that it was considering a bid to take Revlon private in an acquisition valued at about \$715 million.

MacAndrews & Forbes, a private holding company led by Ronald O. Perelman, who also is Rev-

lon's chairman, said it was considering making a cash offer to buy the 65.4 percent of Revlon that it does not own for \$13.50 a share.

The announcement sent the cosmetic giant's stock sharply higher despite MacAndrews & Forbes' warning that there was no assurance the purchase would be completed on the terms suggested.

The stock was the most active issue Friday in New York Stock Exchange composite trading, jumping \$3.50 a share to \$18.25 on a volume of nearly 5 million shares.

The holding company told Revlon's board to expect a formal proposal "in the near future."

One of MacAndrews & Forbes' former holdings, supermarket op-

erator Pantry Pride Inc., acquired Revlon for more than \$1.7 billion in November 1985, and the newly merged company adopted the Revlon name.

The deal also gave MacAndrews & Forbes control of about 20.4 million, or 34.6 percent, of Revlon's 59 million common shares and equivalents outstanding.

There were rumors a month ago that Mr. Perelman would bid for the rest of Revlon.

Nancy Hall, an analyst with Smith Barney, Harris Upham & Co., said that in view of MacAndrews & Forbes' private status, it was a given that going private was always part of the story, suggested for Revlon's future following its purchase by Pantry Pride.

During 1986, Mr. Perelman used Revlon and MacAndrews & Forbes to open or threaten takeover bids for three other big companies: CPC International Inc., Transworld Corp. and Gillette Co.

None of the bids succeeded but Mr. Perelman and his affiliates made sizable profits from their stock holdings in those companies.

MacAndrews & Forbes, which Mr. Perelman took private in 1983, has a range of interests including cigars, candy and videocassettes. The company also owns Technicolor Holdings Inc., a leading film processor for the movie industry, and an 8 percent stake in Tri-Star Pictures Inc., a movie studio and theater owner.

Net Rises 24% at Finnish Food Company

By Juris Kaza

International Herald Tribune

STOCKHOLM — Huhtamäki Oy, the Finnish food, pharmaceutical and packaging group that owns the U.S. candy maker Leaf Inc., said Friday that its pretax earnings rose 24 percent in 1986 to 148.3 million markkaa (\$32.9 million).

The figure compared with a profit of 119.6 million markkaa in 1985. But the group's sales fell 5.5 percent to 4.08 billion markkaa from 4.32 billion, with the company attributing the drop to the dollar's decline.

Huhtamäki said that its operating earnings totaled 438.4 million markkaa, a 2 percent decline from 448.5 million markkaa in 1985, but that the figures reflected a better margin on sales: 10.7 percent, up from 10.4 percent in 1985.

Brian Kase, a specialist on Nor-

dic shares with Kleinwort, Grieverson Ltd. in London, said that Huhtamäki's earnings were "a bit disappointing."

Taft Broadcasting Co. Gets \$1.35 Billion Bid

CINCINNATI — Dudley S. Taft, vice chairman of Taft Broadcasting Co., said Friday that he and a Rhode Island-based investment banking company are making a joint bid to buy Taft Broadcasting for \$1.35 billion.

Mr. Taft, the son of Hubert Taft Jr., who founded the company 28 years ago, said he and Narragansett Capital Inc., of Providence, Rhode Island, presented a joint proposal to buy all shares of Taft Broadcasting for \$145 a share. The company has 9.3 million shares outstanding.

After accounting for an extraordinary charge against profit of 5.6 million markkaa, pretax earnings came to 143.8 million markkaa, up just 2 percent from the year before. By comparison, 1985 pretax earnings included a one-time gain of 26.6 million markkaa.

Leaf, the confectionery company acquired by the Finnish group in 1984, nearly doubled pretax profit last year, to \$13 million from \$7 million in 1985, Huhtamäki said. Its sales rose a slight 2 percent to \$314.8 million from \$308.6 million the previous year.

The Finnish group said that 52 percent of group sales were posted abroad, including 523 million markkaa in exports from Finland.

The company proposed a dividend of 2.80 markkaa a share, unchanged from 1985 but paid out on a larger capital base.

Bank to Auction Fermenta Stock

Reuters

STOCKHOLM — Nordbanken, the Swedish banking group, said Friday that it would sell the 4.2 million B free shares deposited as loan collateral by Refast A-S, founder and former chief executive of Fermenta AB, but said it would probably buy them back itself.

The medium-sized bank, Fermenta's third-largest creditor with loans of 155 million kronor (\$24 million), said it would sell the shares, by public auction on March 16.

It said the sale did not represent a withdrawal from its commitment to Fermenta.

JAPAN: Banks Set to Pool Bad Loans in New Company

(Continued from first finance page)

The success of the new company will be watched closely by bankers and regulators in the United States.

"It's an intriguing idea," said Alan L. McKinnon, the chief financial officer of the Bank of Boston, which has one of the largest foreign exposures among mid-size banks.

Whether the Japanese approach could be adopted in the United States, however, is far from clear.

The Japanese plan would involve some type of government subsidy, such as added tax benefits for the banks and possibly seed money from the Finance Ministry.

Such a plan in the United States would likely meet stiff opposition in Congress.

"We'd love to do it, but it would be viewed as a taxpayer bailout of

the banks," said the head of International Lending for a major New York-based bank. "This will have some psychological impact here, but it would amaze me if the government openly accepted a loss of revenue."

For the Japanese banks, creation of the new company would provide a number of advantages, with the primary benefit involving taxes.

Under Japanese law, the tax deduction that banks can claim for bad loans cannot exceed 1 percent of their total loans. But, at the same time, bad loans can reduce earnings by up to 5 percent of total loans.

With the new company, they would sell the loans at a discount that would be fully deductible for tax purposes.

Hughes Tool Co. To Reopen Talks On Baker Merger

Los Angeles Times Service

HOUSTON — Hughes Tool Co., in a surprising reversal, has decided to reopen negotiations to complete a proposed \$1.2 billion merger with Baker International Corp.

On Wednesday, Hughes said it would not reopen talks. Wall Street analysts said the reversal on Thursday may have come as a result of pressure from major shareholders who believe that the merger is the only way to improve the finances of the ailing oil-services company.

The major institutional shareholders are up in arms," said James Crandell, an analyst with Salomon Brothers Inc. "I've spoken to a lot of the owners of the company and to a shareholder; they are livid about this."

The reversal also came on the heels of a lawsuit filed by Baker late Wednesday seeking to force Hughes directors to complete the transaction. Baker also is an oil-services company.

Hughes's chairman, William A. Kistler Jr., would not say why directors voted to reconsider the decision to end merger talks. But one source close to Hughes indicated that the original decision may have been a bluff that backfired. Hughes had objected to the way Baker wanted to settle antitrust concerns about the merger that had been raised by federal regulators.

INJURIES: In Companies' Drive for Productivity, Many Workers Get Hurt

(Continued from first finance page)

Industry is actually much safer than it ever has been.

"It's my impression that the concern for safety has never been higher, not only because of a concern for the workers, but because worker compensation costs companies have to pay when employees are injured have never been higher," says Sharon Spigelmyer, director of loss prevention for the National Association of Manufacturers.

Still, the increased competitive pressure does seem to be showing up in occupational injury statistics. John Moran, director of the division of safety research for the National Institute for Occupational Safety and Health, one of the federal government's top researchers on occupational safety, says that injury rates for all industry rose a sharp 11.7 percent in 1984, about twice the 6.6 percent rate of increase in total hours worked during the year.

That implies, Mr. Moran says, that pressures to increase output were having an impact on safety. Injury rates for all industry in 1985, the most recent year for which statistics are available, remained at 1984's levels.

The trend seems especially evident in two of the most troubled U.S. industries, meatpacking and steel, where injury rates among such workers as Mr. Shadbold and Mr. Stanton have surged while employment levels have plunged.

In steel, for example, the Bureau of Labor Statistics reports that, at blast furnaces and basic-steel operations, lost workdays caused by injuries rose to 97.7 for each 100 workers in 1985, from 77.7 in 1982, while employment plunged to

304,900 workers from 394,300. Injuries also rose, to 10.5 per 100 workers in 1985, from 10.1 per 100 in 1982.

A spokesman for the American Iron and Steel Institute, a steel trade group, concedes that the injury rate "merits some attention." He says the steel industry's injury rates may be attributable in part to new technologies. The installation of

new equipment may be leading to more accidents as workers learn to operate the machinery.

"We have to pay attention to the problem," he said. "There are fewer workers; there is new technology and there is a learning curve involved."

In meatpacking, lost workdays caused by injuries soared to 246.1 days for each 100 workers in 1985, from 166.7 days in 1982, while total employment in the industry fell to 141,700 from 146,900. Accidents in which workers did not miss work rose to 15.2 per 100 workers in 1985, from 12.5 per 100 in 1982.

"We have not seen persuasive evidence that things are getting worse," said Robert Hibbert, vice president and general counsel for the American Meat Institute, a trade group. But Mr. Hibbert acknowledged that his group is concerned about the current level of injuries and said it hopes to issue new safety guidelines this year.

But meatpacking and steel are

Union officials complain that injury rates in many manufacturing industries are actually much worse than federal statistics disclose.

not alone; worsening safety conditions seem to be plaguing a range of other manufacturing sectors as well. In the machine tool industry, for instance, total injuries per 100 workers rose to 12.1 in 1985, from 11.3 in 1982, while employment fell to 310,500, from 314,900. And in the broad category of metal fabricating, the injury rate per 100 workers rose to 20.3 in 1985, from

18 in 1982, while employment slipped to 441,300, from 456,300. Meanwhile, labor officials complain that injury rates in many industries are actually much worse than the U.S. statistics disclose. They complain that Reagan administration policies have given employers an unintentional incentive to falsify injury reports.

OSHA now focuses most of its manufacturing inspections on industries — and plants within those industries — whose injury statistics are above the national average for all industrial workplaces.

Union safety experts contend that companies that have an incentive to underreport injuries.

TWA Says It Has Bought 15% of USAir's Stock

NEW YORK — Trans World Airlines Inc. said Friday that it owns more than 4 million shares of USAir Group, or about 15 percent of the total outstanding.

TWA offered Wednesday to buy USAir for \$52 a share, or \$1.4 billion, but USAir rejected the bid as too small, and called it a last-minute attempt to interfere with its takeover of Piedmont Aviation Inc. TWA said it may acquire additional shares, subject to approval of the Transportation Department.

Construction-site inspections account for up to half of all OSHA inspections and are not part of the same targeting policy.

Safety experts concede that little or no scientific research has been conducted to measure the relationship between productivity pressures and injury rates. Still, Mr. Moran and a few other federal officials now believe that the trends in U.S. figures do indicate that such pressures are taking their toll.

"What research we do have indicates that, where one is involved in repetitive tasks and the work rate increases, one gets to a threshold where the error rate, and the injury rate, climb dramatically," Mr. Moran says.

"Without any research, the best evidence right now is anecdotal," says Peg Semitro, associate director for health and safety at the AFL-CIO.

"If the workers say something is happening," she says, "they are probably right."

COMPANY NOTES

Adelaide Steamship Co., a diversified Australian industrial and investment group, appears to have sold some of its 6.85-percent stake in Blue Circle Industries PLC, a British cement company, a Blue Circle spokesman said. There was no confirmation from Adelaide. The company built up its stake in Blue Circle last year, prompting speculation about a possible takeover bid.

Amstar Inc., the American mining and smelting group, has sold its 47 percent stake in Australian Consolidated Minerals Ltd., the gold-mining company, as part of a redeployment of assets. Amstar said the Australian Mutual Provident Society and Western Mining Corp. Holdings Ltd. each bought 19.9 percent.

ConAgra Inc., a diversified food company based in Omaha, Nebraska, has agreed to acquire Monfort of Colorado Inc., a meat producer and marketer, in an exchange of stock valued at around \$352 million, based on ConAgra's closing price of \$32.75 a share on Friday.

Eastman Kodak Co. of Rochester, New York, has bought a 19 percent interest in Enzon Inc., a Plainfield, New Jersey, pharmaceutical company. It paid \$75 million for 2 million shares of stock in a deal that included marketing rights for several drugs, one of which fights such oxygen toxicity disorders as gout and hyperbaricemia.

Hard Rock Cafe PLC, a British-based restaurant chain, has filed for an initial U.S. offering of 11.2 million American depositary shares representing 11.2 million class A ordinary shares. It said proceeds will

be used to finance new restaurants, expand existing restaurants and retail operations, and repay debt.

Matsushita Electric Industrial Co. said it has developed a compact disk and video player with the electronics companies Philips NV of the Netherlands and Nippon Gakki Co. of Japan. The new system, called CD Video and used with a television, is made up of five-inch (13-centimeter) disks that play back 20 minutes of sound with five minutes of video film.

Nippon Telegraph & Telephone Corp., the Japanese telephone company, has reached an agreement with Corning Glass Works of the United States on joint development of the next generation of fiber-optic cables. The companies will study the use of fluoride, which has better transmission properties than the quartz now used in the cables.

Silos Genova SPA, the Italian construction firm and subsidiary of the Gruppo Ferruzzi agribusiness group, will propose issuing an unspecified number of new ordinary shares to increase capital by more than 400 billion lire (about \$305 million), according to two newspapers, Il Sole 24 Ore and La Repubblica. A spokesman would not confirm or deny the report.

Yamaha Motor Co. Ltd. has acquired Banco Español de Crédito's 50 percent stake in Samsa, a joint venture set up in 1981 in Spain to make and market Yamaha-designed motorcycles. The price of the purchase was not disclosed. Yamaha said it has changed Samsa's name to Yamaha Motor España SA.

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PERSONAL INVESTING

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Manet Export Delayed



"Deaf and Blind" will be a four-part TV series

Wiseman is intrigued by the idea of following unstaged events to chronicle 20th-century experiences. "If someone made a movie following Walt Whitman as he went around a hospital in Washington, it would be a real winner now, wouldn't it?"

This wizard with the knowing eyes and eccentric shocks of hair has an uncanny knack of putting one at ease. His quiet dynamism soothes; he is as unpretentious with people as he is in his approach to a new film: "I make one film per year and it's like taking a course in adult education. I'm the alleged adult and I have a new subject to study every year."

Wiseman's latest "course" took him on a sensory journey to the Alabama Institute for Deaf and Blind. "It started out as a film about blind people, because movies are about sight, to say the obvious, but expanded to the multi-handicapped when I discovered that the institute had facilities for them as well.

"I did 'Deaf and Blind' in color because I thought it was important to give a sense of what the natural world looked like, and what these kids were missing out on," said the director, who has won several awards, including three Emmys.

To date, the only other films he has shot in color have been "Seraphita's Dis-

film" (1982) which was his first fiction film, and "The Store" (1983), which explores the relationship of wealthy to poor, and the consumer choices made by people with money.

"Being given permission to shoot in the main store at Neiman-Marcus in Dallas is like being given a \$20 million set. You want to see what the goods look like."

The richness of visual material available at a Colorado moustaching plant entered into Wiseman's decision to shoot "Guns" in 1976. "I have a close of getting thirty good pictures in a place like that. Making a hamburger from a cow is like making a car, only in reverse: You start out with a Cadillac and end up with a luss nut. Every part of the cow is used. I guess people expect me to be a vegetarian, but I had steak every night I was there and it was probably a cow that I had met earlier in the day."

Although Wiseman has had little trouble over the years gaining access to shoot, at least three of his films have met with flak following completion.

"High School," a 1968 film in which students at a public high school in Chicago to authority emerge as the ultimate goals of the secondary-educational system, drew protests from the Philadelphia school board after reviews were published in the national press. The board had loved the film upon first viewing.

"Primate," a 1974 film about animal research, was at first extolled by those who had given Wiseman permission to film. But after press reviews critical of experiments on the electronic control of sexual and aggressive behavior appeared,

the laboratory threatened to sue. "By implication, if they were doing it on orangutans, they weren't doing it because they wanted to control the orangutan population of the world."

"Tritico Follies" is the only American film — other than for reasons of national security or obscenity — that a U.S. court has barred from the general public. Although Bridgewater officials had permitted Wiseman to shoot, they later changed their mind and took legal action against the film. Currently, "Tritico Follies" may be shown to professional audiences — legislators, judges, lawyers, sociologists, social workers, doctors, psychiatrists and the like. "The practical effect is that the movie can't be shown on television or in movie theaters, since there's no way of controlling who's seeing it."

It is rare that someone objects to being filmed while Wiseman is shooting. Relying on what he calls his finely tuned "bullshit meter," Wiseman winnows out footage in which people are putting it on for the camera.

Despite the camera's presence, the director has captured scenes ranging from the absurd to the sublime. One scene in "Law and Order" — a film about the Kansas City police force shot in 1969 — intimates confessions of brothers in a monastery ("Essece," 1972). "If you hang around long enough, you stumble onto sequences that are funnier, more dramatic, and sadder than anything you can find, except in really great novels. You're not inventing them. You're just lucky enough to be there when they happen."

The film stars Andriy Hephazin and Seana Connery were made Commendators of Arts and Letters Friday by French Deputy Culture Minister Philippe de Villiers. The award is one of France's most prestigious honors for excellence in the arts. De Villiers congratulated both for "having managed to escape stereotypes despite their worldwide fame."

□

A group of prominent American artists sent letters this week to John Paul II, an Italian Catholic priest, requesting an audience in connection of Michelangelo's work in the Vatican's Sistine Chapel and Leonardo da Vinci's fresco "The Last Supper." Signed by Jacob Lawrence, Robert Motherwell, Christo, Robert Rauschenberg, James Rosenquist and George Segal, the letter to the pope proposed the pause

venture. Rutan, 49, and 34, were already sharing a when they climbed into the back cockpit of their airplane, an Edwards Jet-Rocket, in 1967. "He'd had a couple had just come back from m after flying 320 missions," said, "it's an incredibly love story—somebody gets in there and drives it to do this one last mission."

□

—singer-composer Bert Rutan, 49, released a new album in May and may make his first major tour since the death sister Karen four years ago in Warwick, Denny Springfield and Alpert also perform on "Time," on which Carr sings all the male solo, a man for A&M Records said Jay Carpenter, 41, wants to w the album does before de- on a tour, the spokesman through the singer has made appearances since his sister's death but with appearances as a guest singer on the album. Carr died in February 1983 from effects of anorexia nervosa, a psychological disorder characterized by the avoidance of food and weight loss. She and he broke into the pop music in 1970 with hits that included "You Just Begun," "To You" and "Rainy Days

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